ANNUAL REPORT
2014 年報

STOCK CODE 股份編號：00623

SinoMedia®

中視金橋國際傳媒控股有限公司
SinoMedia Holding Limited

About us

SinoMedia Holding Limited (the "Company" or "SinoMedia") and its subsidiaries (collectively the "Group") is a leading media corporation. With the focus on consolidating an "Internet + TV" inter-screen communication marketing platform, the Group actively develops "Internet Media and Content Operations" segment, and continuously improves its "TV Media Resources Management" and "Integrated Brand Communication Services" businesses.

Contents

Financial Summary

RMB'000	For the year ended 31 December 2014	For the year ended 31 December 2013	Change (%)
Revenue	**1,634,652**	1,767,036	-7%
Profit from operations	**424,126**	506,131	-16%
Profit attributable to equity shareholders of the Company	**306,571**	369,108	-17%
Earnings per share (RMB)			
— Basic	**0.542**	0.661	-18%
— Diluted	**0.528**	0.636	-17%
Proposed dividends per share (HKD)			
— Final	**13.50 cents**	16.48 cents	-18%
— Special	**13.50 cents**	16.48 cents	-18%

Revenue:

RMB'000	For the year ended 31 December 2014	For the year ended 31 December 2013	Change (%)
Media resources management	**1,510,881**	1,670,774	-10%
Integrated brand communication services	**34,037**	49,820	-32%
Internet media and content operations	**54,961**	49,088	+12%
Rental income	**58,837**	34,509	+70%
Sales taxes and surcharges	**(24,064)**	(37,155)	-35%
	1,634,652	1,767,036	-7%

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chen Xin *(Chairman)*

Ms. Liu Jinlan

Mr. Li Zongzhou

NON-EXECUTIVE DIRECTOR

Mr. He Hui David

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing

Mr. Lian Yuming

Ms. Wang Xin

AUDIT COMMITTEE

Mr. Qi Daqing *(Chairman)*

Mr. Lian Yuming

Ms. Wang Xin

REMUNERATION COMMITTEE

Ms. Wang Xin *(Chairman)*

Mr. Chen Xin

Mr. Lian Yuming

NOMINATION COMMITTEE

Mr. Chen Xin *(Chairman)*

Mr. Lian Yuming

Ms. Wang Xin

COMPLIANCE COMMITTEE

Mr. Li Zongzhou *(Chairman)*

Mr. Wang Yingda

COMPANY SECRETARY

Mr. Wang Yingda

AUTHORISED REPRESENTATIVES

Mr. Chen Xin

Mr. Wang Yingda

PRINCIPLE PLACE OF BUSINESS

7/F, The Place — SinoMedia Tower,
No. 9 Guanghua Road, Chaoyang District,
Beijing, PRC

Unit 15D, Xintian International Plaza,
No. 450 Fushan Road, Pudong New District,
Shanghai, PRC

REGISTERED OFFICE OF THE COMPANY

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

AUDITORS

KPMG

SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31/F, 148 Electric Road, North Point,
Hong Kong

WEBSITE

www.sinomedia.com.hk

2014 Year in Review

March

SinoMedia was once again recognised on the CCTV Top 10 Advertising Agency Awards Ceremony

Leveraging on the professional brand communication services and 15-year experience in media resources management, SinoMedia achieved certain enterprise awards such as "CCTV Top 10 Advertising Agency" and "CCTV 2013 Achievement Award for Advertising Underwriter" on the CCTV 2013 Top 10 Advertising Agency Awards Ceremony. SinoMedia has received "CCTV Top 10 Advertising Agency" and "CCTV 2013 Achievement Award for Advertising Underwriter" for eight and four consecutive years respectively.

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June

"2014 SinoMedia Charity Campaign — Act for Charity, Run for Love" was rounded off

The 8th SinoMedia Sports Day themed "2014 SinoMedia Charity Campaign — Act for Charity, Run for Love" was successfully held at Xishan National Forest Park, Beijing. Public welfare was the main innovation of the 2014 SinoMedia Sports Day. With the joining of the "second generation of SinoMedia", the Sports Day became more playful, loving and vibrant. Over 400 staff members from the headquarter and subsidiaries of the Group and their children participated in the activity.

SinoMedia launched the APP Playform (悦屏), a multi-screen interactive marketing platform

SinoMedia announced the official launch of its in-house innovation — a multi-screen interactive mobile application named Playform. Playform was made available on various online APP markets before the kick off of the 2014 World Cup. The APP climbed on the bandwagon of the World Cup and provided mobile users and TV audience with a platform and support services for multi-screen interaction and information sharing. Playform is dedicated to serve as a real time platform for mobile internet users to participate in daily life and entertaining hot topics, inter-screen interactions and community sharing. It also provides advertisers with an inter-screen marketing platform accommodating various marketing activities such as product display, poll, survey, user-generated content (UGC) activities and bonus point redemption.

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April

boosj.com (播視網) was recommended and certified by Anquan Organisation (安全聯盟)

www.boosj.com was certified by Anquan Organisation and listed on the "Recommended Websites" of its official Weibo account. boosj.com has been operated as video and information sharing for the society and livelihood. It has achieved 128 stringent certifications and was recorded in the credit archive of Anquan Organisation. Anquan Organisation, a neutral, impartial and authoritative third party organisation, unites competent internet enterprises, security enterprises and industry organisations to establish internet security standards recognised by the industry, so as to optimise the practical environment of internet in China. Currently, it has cooperated with the official websites of nearly 800 organisations and enterprises, including Baidu, Tencent, Sogou, Kingsoft, Hunan TV and Zhejiang TV.

lotour.com (樂途旅遊網) achieved three honorary awards of the industry

www.lotour.com, which ranked first in the absolute daily average user coverage in the field of travel information sharing, achieved "2013-2014 China Most Influential Service Website of Travel Information" on the Awards Ceremony of iResearch Awards 2014 organised by iResearch Consulting Group, being the only travel sharing website which won this award. Moreover, with its cutting-edge and innovative tourist destination marketing communication services, it received "The Most Valuable Creative Marketing Tools/Platform Award" at the "Award Ceremony of the 6th China Advertisers Summit cum Jinyuan Awards" organised by the "Advertiser" Magazine. Meanwhile, "Blessed Fuzhou — Gorgeous Dream", an interactive campaign backing by Lotour Dream Support, also achieved the " Gold Award in Internet" on the Jinyuan Awards Ceremony.

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May

SinoMedia presented at the 7th Central China Travel Expo 2014

SinoMedia participated and presented at the 7th Central China Travel Expo 2014, with the theme of "SinoMedia, City Brand Marketing Expert in China — Specialised in City Branding and Intelligent Communications". SinoMedia caught the eye of numerous companies, visitors and the press by its unique booth design, various product showcase and impressive interactions. Central China Travel Expo, as the largest professional travel exposition in Central China at present, attracted large numbers of domestic and foreign travel services providers and buyers.

2014 Year in Review

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July

SinoMedia public service communications motivated public welfare

SinoMedia, as a leader in TV advertising and public service advertisement industry, was invited to the "Socialised micro-public welfare — 2014 Children Charity Forum" at the China National Convention Center. In the forum, the Public Service Brand Operation Center of SinoMedia, on behalf of the Company, showed SinoMedia's unique experience in public services and its prospects of the future public services to the participating charities. SinoMedia has made its best effort on public service projects, so as to motivate the public service advertisement business by releasing various influential public service advertisements.

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September

wugu.com.cn (吾谷網) cooperated with Shiyan Municipal Bureau of Agriculture to establish an agricultural information platform

www.wugu.com.cn exchanged thorough ideas on featured products promotion, brand building and methods to establish an agricultural information platform with Shiyan Municipal Bureau of Agriculture, Hubei Province, and reached a cooperation intention. The cooperation between wugu.com.cn and Shiyan Municipal Bureau of Agriculture indicates another success of wugu.com.cn in terms of its own branding and product services promotion and also broadens the business field, so as to realise genuine win-win development. Along with its expanding influence, the solid position and communication services, wugu.com.cn are recognised by more industry players and government departments.

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November

SinoMedia showed its strengths at the China International Travel Mart 2014

SinoMedia participated in the China International Travel Mart with the theme of "SinoMedia, City Brand Marketing Expert in China — Specialised in City Branding and Intelligent Communications ". At this conference, SinoMedia has specifically created a carving wall featuring the symbolic buildings in the cities in which its subsidiaries are based. This vivid and refreshing image illustrated SinoMedia's competence and focus in city brand marketing. In terms of exhibits, it demonstrated all SinoMedia's media resources as well as its integrated strengths, corporate culture, media strategy, communication advantages and typical cases. All these well depicted SinoMedia's professionalism in city brand integrated communication, which was recognised by domestic and foreign customers.

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October

New vision stimulates the value — SinoMedia 2015 Integrated Communication Preview held with success

SinoMedia 2015 Integrated Communication Preview with the theme of "New Vision Stimulates the Value" was rounded off in Beijing. Over 100 renowned brand advertisers and representatives of governmental tourism organisations in China attended the preview. Traditional mindset needs innovation. Traditional media will eventually integrate with new media. Thus, marketing tools also need to change over time. The future of TV media is rooted in this market change and development. As always, SinoMedia will try its best to be perceptive of the market change and development for all advertisers at all times.

Care for parents, tour with love — SinoMedia 5th Family Culture Activity rounded off

SinoMedia topped off the "2014 SinoMedia Outstanding Employees' Family Tour to Korea" in success. "Parents Day" has been successfully held for 5 consecutive years since it first took place. SinoMedia's "family culture" concepts of "care, responsible and inclusive" have deeply rooted in every employee's mind and motivated them to move forward.

Awards and Recognition

Company Honours

1

Award: boosj.com (播視網) — 2013 Advanced Corporation in Internet Security Management

Time Period: January 2014

Awarded by: Internet Police Division of Hangzhou Municipal Public Security Bureau

Award Description: The award is presented by the Internet Police Division of Hangzhou Municipal Public Security Bureau to recognise the advanced corporation that, in 2013, fulfilled social and legal responsibility of network information security, assisted the police force in network crime rectification projects, strived to promote telecommunications fraud prevention, made outstanding contribution in maintaining internet information security and fighting against various cyber crimes, and effectively safeguarded the security and stability of the internet in Hangzhou.

2

Award: CCTV 2013 Top 10 Advertising Agency, CCTV 2013 Achievement Award for Advertising Underwriter and CCTV 2013 Public Service Promotion Award

Time Period: March 2014

Awarded by: China Central Television Advertising Centre

Award Description: “CCTV Top 10 Advertising Agency” and “Achievement Award for Advertising Underwriter” are annual awards presented by CCTV to its advertising partners, and the highest awards granted by CCTV to its agencies. SinoMedia has been awarded of “CCTV Top 10 Advertising Agency” for eight consecutive years. “Public Service Promotion Award” is presented by CCTV to its partners and output channels of public service advertisements.

3

Award: First-class Advertising Agency (Media Service)

Time Period: March 2014

Awarded by: China Advertising Association

Award Description: First-class Advertising Agency of China, presented by China Advertising Association, is the highest accomplishment for advertising agencies in China. China Advertising Association, established in 1983, is an institution directly under the State Administration for Industry and Commerce, and an industry organisation of the advertising industry in China. The association is voluntarily formed by advertisers, advertisement operators, advertisement publishers, companies and institutions related to the advertising industry as well as corporations from across the country, which all possess certain qualifications.

4

Award:	China 4A Outstanding Contribution Award
Time Period:	October 2014
Awarded by:	China Advertising Association of Commerce
Award Description:	China Advertising Association of Commerce is the oldest nationwide advertising industry organisation established in China. Having drawn on worldwide experiences, it gathered local advertising companies with strong financial strength, good reputation and high service standards as well as successful advertising joint ventures in China, jointly formed China 4A, a high-end advertising organisation in China. China 4A promotes self-development of the advertising industry while delivering branding services.

5

Award:	2014 China Advertising Great Wall Awards — Advertisers' Gold Partner Award
Time Period:	October 2014
Awarded by:	China Advertising Association
Award Description:	The nominees of the Gold Partner Award are advertising media, advertising agencies and advertising service agencies of certain scale with professional strengths which established good partnership with advertisers in terms of corporate brand strategy, brand communication, advertising planning, creative advertising and advertising placement.

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Award:	The 4th China Television Golden Dove Awards Public Service Advertising Competition — Golden Dove Best Organisation Award
Time Period:	October 2014
Awarded by:	The organising committee of "Golden Dove Awards"
Award Description:	China Television Golden Dove Awards Public Service Advertising Competition is jointly sponsored by Guizhou Radio Television and Heilongjiang Television. Based on the "Joint Platform for China Public Service Advertisements" of the two TV stations' satellite TV channels, and with the slogan of "Uniting China to contribute to public services", this competition strives to promote effective public service development in China.

7

Award:	China Public Service Advertisement Grand Prix Silver Award
Time Period:	October 2014
Awarded by:	China Advertising Association
Award Description:	China Public Service Advertisement Grand Prix selects the free public service advertising works of the year that promoted civilised morality, enhanced the level of social civilisation as well as achieved satisfactory social benefits. This aims to create a harmonious society, establish a respectable cultural morality and social direction, focus on public concerns, arise social thinking and collective resonance.

Awards and Recognition

Professional Honours

1

Award-winning Work:	SinoMedia 2013 Annual Report
Award:	Silver Award for Annual Report 2013 under the category of media companies by LACP (The League of American Communications Professionals), Top 80 Annual Reports in Asia-Pacific and the Most Creative Award
Time Period:	August 2014
Awarded by:	LACP — a world renowned marketing research agency, is operated by The League of American Communications Professionals LLC. Its awards for annual reports, known as the "Olympics of Corporate Annual Reports", are recognised as highly professional and authoritative in the industry. SinoMedia has received this award for the fifth consecutive year.

2

Award-winning Work:	SinoMedia 2013 Annual Report
Award:	ARC Best Annual Report Award, ARC Interior Design Gold Award, ARC Illustrations Silver Award, ARC Printing & Production Award and ARC Photography Honors Award
Time Period:	October 2014
Awarded by:	ARC Panel of Judges
Award Description:	ARC International Annual Report Competition, currently one of the largest international competitions for annual reports, is known as the "Oscars of Annual Reports". The assessment criteria of the competition are based on the creativity of design, clarity of presentation, effectiveness of elaboration on corporate philosophy and the effort to strive for excellence. Over 2,000 corporations, non-profit organisations and government departments from 31 countries and regions around the world were attracted to participate in the competition this year.

3

Award-winning Work:	Creative Advertisement — 360 Security, Creative Advertisement — McDonald's
Award:	China 4A Golden Seal Awards — Bronze Prize, China 4A Golden Seal Awards — Finalist Prize
Time Period:	October 2014
Awarded by:	China 4A Golden Seal Awards
Award Description:	China 4A Golden Seal Awards (consist of China 4A Creative Golden Seal Awards and China 4A Media Golden Seal Awards), aim at establishing the leading creative force in advertising industry in China by setting the highest standard of creative advertising in China and praising for outstanding creative advertising. The award-winning works of Golden Seal Awards over the years were mainly from 4A members, while some outstanding works from non-4A members were also collected. The works represented a higher standard in the industry.

Personal Honours

1

Winner:	Liu Baofu
Award:	Honorary President of the 1st Board of The 21st Century AD International Summit
Time Period:	February 2014
Awarded by:	The 21st Century AD International Summit
Awards Description:	The 21st Century AD International Summit was established in 2007 and has been successfully held for seven times so far. Currently, The 21st Century AD International Summit has become the leading conference in advertising and marketing activities and has been highly praised in the industry. Liu Baofu, the chief consultant of SinoMedia, was appointed as the honorary president of the 1st Board of The 21st Century AD International Summit at the Summit, effective from 1 January 2014 to 31 December 2017.

2

Winner:	Liu Jinlan
Award:	Annual Top Ten Female Advertising Managers of China
Time Period:	March 2014
Awarded by:	Advertising Guidance
Awards Description:	The Advertising Guidance magazine delivers practical information of advertising industry, aims to promote inter-communication and cooperation among advertisers, advertising agencies and media platforms. It provides readers with comprehensive, accurate information of the industry as well as case studies, to uplift the professionalism of advertising research, marketing, creativity and placing execution. So far, Advertising Guidance magazine has demonstrated as an important channel for understanding the industry, and provides the advertising industry a service platform of product promotion and image marketing.

Chairman's Statement

In 2014, owing to the complicated and ever-changing market environment, China's economy faced notable downside pressure. In light of the long changes in domestic economy, consumption, industries and clients, SinoMedia's management decision-making and team contingency ability demonstrated its exceptional resistance to market pressure. In 2014, steady development was the top priority of the Group. By adhering to the execution of its established strategies, the Group maintained its leading position in the market share of its core business "TV advertising and branding services", and achieved certain breakthroughs in the field of its new media business "Internet media and content operations", with continuous investment.

With a history of 16 years, SinoMedia, evolved from a TV advertising agency to a media operator, is now a leading comprehensive media corporation that owns vertical internet media platforms in the domestic market. Equipped with professional and highly effective services as well as progressive operational strategies, the Group has accumulated nearly 3,000 clients in total. In the tide of media integration, the Group was also able to track the market changes and adapt to the market demand, recognise its mission as user-oriented and the provision of high-quality communication platform to its clients, and increase the resources allocation for internet and mobile internet projects in order to face the challenge of comprehensive and intensified reform in the media advertising market.

The Group's TV advertising and branding services business remained stable. Meanwhile, as our main development focus, the business cluster of Internet media and content operations lays the foundation for the mid-to-long-term value of the Group as an inter-screen media operation platform, and also reflects the Group's determination to achieve sustainable development under the current market and industry layout. During 2014, the number of users of lotour.com increased 92%, thus leading to significant increase in income. The highest Daily Page View (DPV) of boosj.com reached 1.3 million. wugu.com.cn integrated online and offline resource expansion and achieved a breakthrough in turnover.

In 2015, global economy remains complicated and encounters significant problems and potential risks. In China, its economy has formally entered into a "new normal" stage. Persisted industry restructuring keeps on magnifying the economic downside pressure. Under the evident slowdown in growth, media advertising industry, particularly traditional media advertising industry will not be optimistic due to gradually emerging impacts.

Nevertheless, the Group still believes that, China's economic restructuring will bring mid-to-long-term opportunities to the market. The Group's internet media advertising operation platform is expected to maintain its growth and help optimise the business structure of the Group. Under such pressure and difficulties, steady and sustainable development on top of our own development will be the first priority, and the Group will focus on exploring characteristic development in line with our own advantages. In 2015, as an embodiment of SinoMedia's culture and management capability, the Group will strengthen its foundation and surpass itself under such severe market environment by keeping abreast of market changes for operational strategies, seeking for innovation and breakthroughs in professional services and product integration, as well as manifesting innovative ideas with pragmatic mind, thus laying the foundation for mid-to-long term prosperity.

Chen Xin
19 March 2015

Chen Xin

"Innovative and pragmatic,
steady and sustainable development"


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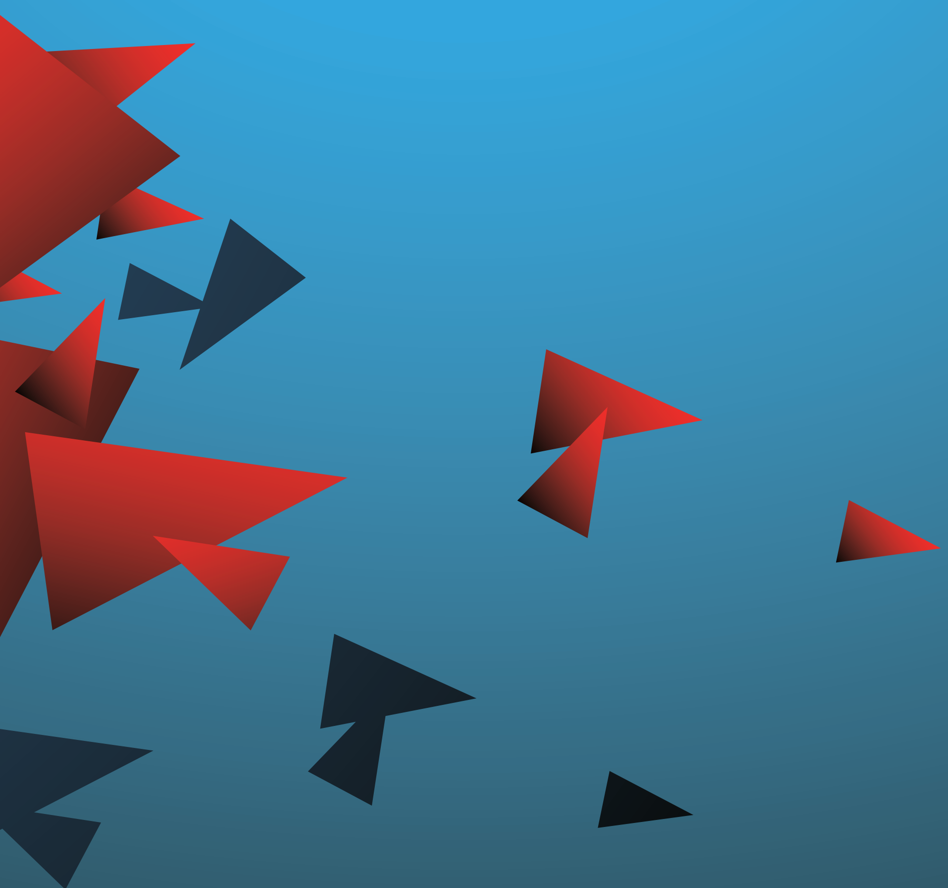

Management Discussion and Analysis

ABOUT THE GROUP

In 2014, in light of the long changes in domestic economy, consumption, industries and clients, "steady development" has been the Group's top priority. By heading off challenges and adhering to the execution of its established strategies, the Group maintained its leading position in the market share of its core business and continued to invest in the development of its new media business.

In 2014, owing to the complicated and ever-changing international environment as well as the arduous task of domestic development and reform, China's economy faced notable downside pressure. In the progress of comprehensive and intensified reform, China's media advertising industry ushered in the critical year of integrated development. Apart from the enhanced efforts of the regulatory authorities in monitoring the order of the industry, the acceleration of trial integration and restructuring was the main development trend in the industry. In this context, the layout of the advertising market experienced great changes and the scale effect of internet continued to grow, which hindered the absolute value of total income of other advertising platforms and recorded a plummet year-on-year. Nevertheless, the advertising income of internet media increased over 40% and was expected to outweigh TV media to become the largest advertising media platform throughout the year (Source: State Administration of Press, Publication, Radio, Film and Television, December 2014). According to the research of CTR Media Intelligence, throughout the year of 2014, negative growth was recorded in traditional media advertising market, in which advertising spending was down 1.7% year-on-year. While print media advertising kept dropping, the then increasing advertising spending of TV media also declined (-0.5%), which was one of the main reasons of the downturn of traditional media advertising in 2014 (Source: CTR Media Intelligence, February 2015).

During the year under review, each business segment of the Group demonstrated its financial management capability under the above situation and achieved certain breakthrough in the field of internet business.

BUSINESS OVERVIEW

With a history of 16 years, SinoMedia, evolved from a TV advertising agency to a media operator, is now a leading comprehensive media corporation that owns vertical internet media in the domestic market. "SinoMedia" brand is also a leader in China 4A, equipped with professional and highly effective services as well as progressive operational strategies, the Group has accumulated nearly 3,000 clients in total. In a series of "media integration", the Group was also able to track the market changes and adapt to the market demand, recognise its mission as user-oriented and the provision of high-quality communication platform to its clients, and increase the resources allocation for internet and mobile internet projects in order to face the challenge of comprehensive and intensified reform in the media advertising market.

The Group has formed two business clusters, namely "TV advertising and branding services" and "Internet media and content operations".

TV ADVERTISING AND BRANDING SERVICES

TV advertising and branding services is the Group's traditional dominant business. The operation of exclusively underwritten TV advertising resources and the provision of brand services serve as the energy source for the Group's sustainable development.

1. TV Media Resources Management

During the year under review, the Group renewed its current exclusive underwriting rights, which further consolidated its absolute leading position in the advertisement underwriting business primarily of CCTV's programme advertisements. The Group had approximately 38,860 minutes of advertising resources on a total of 40 programmes on channels including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), CCTV-7 (Military and Agriculture) and CCTV-NEWS (English), holding its market share in program types such as news, culture, agriculture, feature, lifestyle programs and other topics. Its specific media resources include the "Night News" (晚間新聞) on CCTV-1 (General), "News 30" (新聞30分) jointly broadcasted on CCTV-1 (General)/CCTV-News (Chinese), "China News" (中國新聞), "Today's Focus" (今日關注), "Across the Straits" (海峽兩岸), "Exposition of Chinese Cultural Relics" (國寶檔案), "China Showbiz" (中國文藝) and two advertising resources times lots on CCTV-4 (Chinese International, including Europe and the US), programs including "Zhi Fu Jing" (致富經), "Focus on the Three Agricultural Issues" (聚焦三農), "Daily Agricultural News" (每日農經) and "The Rural World" (鄉村大世界) on CCTV-7 (Military and Agriculture), and all programs on CCTV-NEWS (English). In terms of clientele, the Group maintained its market share in the area of tourism and brought in development of focused client sectors in daily necessities, information technology, construction materials and energy sectors.

2. Integrated Brand Communication Services

To establish a more retaining and long-term cooperation with clients, the Group actively provides clients with extensive and professional brand services. Service content is innovative with service coverage expanded from CCTV to local TV station, radio, printing, internet and mobile internet. Client base also expanded from financial and insurance industry to industries such as information technology, fast food chains and home appliance. During the year under review, not only had the Group continued to serve clients such as Ping An Insurance (Group) Company of China, Ltd., The People's Insurance Company (Group) of China Limited, China Life Insurance Group, Shanghai Pudong Development Bank Co., Ltd., Huiyuan Group, Jiangsu King's Luck Brewery Joint-Stock Co., Ltd., Qihoo 360 Technology Co., Ltd., Baidu, McDonald's and Shandong Provincial Tourism Administration, but also engaged by China Petrochemical Corporation, FAW Haima Automobile Co., Ltd., Evergrande Group and National Tourism Administration for its TV advertising placement and service agency business, and reached cooperation intention with Midea Electric, Tiens Group and other clients.

INTERNET MEDIA AND CONTENT OPERATIONS

The overall planning for the business cluster of Internet media and content operations reflects the Group's determination and momentum for upgrading strategic structure to lay the foundation for the mid-to-long-term value of the Group as an inter-screen media operation platform. Meanwhile, it also shows the Group's insight on media sector and market layout, i.e. combining with its own characteristics to make adjustments which fit well to the market, which is a representation of capacity and a necessary rule for sustainable development.

1. INTERNET MEDIA

1. www.lotour.com (樂途旅遊網)

lotour.com, which ranked the first in terms of the daily average user coverage in the field of travel information sharing in China, is the most influential travel information service platform (Source: iResearch). Leveraging on the tourist destination interactive marketing system (brand homepage products), lotour.com was able to seize the market initiative and set up a new marketing model for travel websites. lotour.com joined hands with Google to stimulate the global business for China's tourist destinations while capturing users and clients. In addition, its brand new exclusive "Play Channel" was also under preparation. During the year under review, the annual net website traffic of lotour.com increased 92% year-on-year (Source: internal data). Income significantly increased and a break even was achieved as planned. lotour.com and the Group's existing travel-related clientele were highly synergistic, which was the Group's important deployment in strategic upgrading plan.

2. www.boosj.com (播視網)

As an innovative internet video media platform of the Group, boosj.com gradually displayed its influence on the informative video industry in China. boosj.com was committed in the implementation of a robust system that platform, content, devices and applications all rolled into one. During the year under review, boosj.com presented a new image in terms of page design, content planning and user centre in both PC and mobile web versions, making a breakthrough by interconnecting the three screens data. boosj.com stood firm to "Content is king" and emphsised on developing featured content and vertical channels. Its "Square Dance (廣場舞)" channel contributed to around 20% stable website traffic of the whole website. At the same time, benefited from the active users of the channel, offline activities centred around the theme of "Square Dance" were also successfully commenced this year. Conducting research on verified content channels, boosj.com has put efforts into becoming the first dance video website in China that serves the livelihood of urban internet users. During the year under review, the Daily Page View (DPV) of boosj.com surged to the million level (Source: CNZZ).

3. www.wugu.com.cn (吾谷網)

During the year under review, positioning as the "modern agricultural information service platform", wugu.com.cn identified the three development paths of information products, application products and offline activity support. It pushed forward the establishment of "China Agricultural Information Media Alliance", conducted independent research and development on products such as "Wugu Talents (吾谷人才)" and "One Village, One Product (一村一品) — Beijing" and organised "Wugu New Farmers' Long March". Several industrial trips were arranged to visit the advanced agricultural units in Taiwan and Sichuan. As a result, online and offline resources were able to expand simultaneously, attention on the website has been well aroused, and a breakthrough in turnover has been also achieved. In December 2014, wugu.com.cn and relevant authorities of Ministry of Agriculture of China achieved cooperation and obtained the data authorisation for "One Village, One Product" to commence the O2O service project, namely "National Station for One Village, One Product". Since its establishment in 2012, with its own efforts and the Group's resources allocation, wugu.com.cn started to build up its reputation in the industry. wugu.com.cn will continue to cultivate intensively in the vertical agricultural field, and to provide a platform and communication support for the users and clients in the pan-agricultural field.

2. CONTENT OPERATIONS

1. Programme development and operation

During the year under review, the Group's first original lifestyle reality show, "Scent of a Man", rounded off successfully and was also released overseas. In line with the objective of producing valuable and talk-of-the-town programme for the Group, the video business department of the Group kept exploring by importing outstanding copyright, co-production operations with satellite TV and in-depth cooperation with clients of renowned-brand as well as conducting project predictions in strict compliance with the situation of business recruitment when selling, while at the same time concluding the first-hand experience in creativity, integration, operation and promotion. Up till now, the Group and a domestic provincial satellite TV have reached a cooperation intention to launch a programme with themes of medical care, travel, and talk show in mind.

2. Creative production of advertisement and content

To better welcome the ever-changing creative environment of advertising, during the year under review, the Group's creative team took the initiative to restructure, brought in excellent leading talents as well as put emphasis on the professional ability assessment of the core member of the creative team, aiming to build a creative production team that can represent the standard of China 4A. In addition to the continuous efforts to work with Everbright Group, Wanda Group and Yiwu Municipal Publicity Department, the Group's new team also provided creative and film production of annual promotional videos for Agricultural Bank of China, Shanghai Urban Construction Commission and Inner Mongolia Tourism Administration as well as creative advertisement production for Sports Lottery Center of General Administration of Sport of China. During the year under review, the Group's public service brand communication team was awarded as CCTV Outstanding Advertising Production Unit, and developed the innovative multi-screen interactive integrated marketing communication products, namely "SinoMedia's Charity" project, along with other award-winning works such as "Come Back Home", "Civilised Travel Series", "Anti-corruption (Ink and Wash)", "Express Your Filial Piety", "Civilised Chinese Series" and "Garbage Sorting Series" that fully demonstrated the positive energy of the public service brand of SinoMedia.

FINANCIAL REVIEW

REVENUE AND PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

For the year ended 31 December 2014, the Group recorded revenue of RMB1,634,652 thousand, representing an decrease of 7.5% from RMB1,767,036 thousand last year.

Revenue details for the year under review are as follows:

1. Revenue recorded from media resources management was RMB1,510,881 thousand, a decrease of 9.6% from RMB1,670,774 thousand last year. During the year under review, the Group continued to maintain its leading market position in such business with stable business development. As a result of the overall slowdown in the economic growth in China, the increasing downward pressure for certain industries, and the continual decline in advertising spending, such as advertisements for alcohol, the Group's sales of core advertising resources in terms of minutes sold and average sales rate decreased as compared with last year, resulting in a decrease in the revenue for the year as compared with last year.

2. Turnover recorded from integrated brand communication services was RMB1,509,411 thousand, an increase of 25.1% from RMB1,206,902 thousand last year. Under the International Accounting Standards, the Group's revenue is credited as net commission with relevant procurement costs deducted from turnover if the Group procures media resources in the capacity of an agent for clients. On this basis, revenue from this business was RMB34,037 thousand, a decrease of 31.7% over RMB49,820 thousand last year. The increase in the turnover of this business was mainly attributable to the Group's new breakthroughs and progress in client resources and the industry dimensions of clients. Year-on-year decrease in revenue was mainly due to the decrease in the Group's commission income received from the media procurement as compared with last year.

3. Revenue recorded from Internet media and content operations was RMB54,961 thousand in total, up 12.0% from RMB49,088 thousand last year. Revenue recorded from this business was primarily attributable to the revenue from creative production of commercial advertisements and contents, revenue from programme production and operation, and revenue from the operation of internet media. Among which, (1) revenue from creative production of commercial advertisements and contents recorded a decrease as compared with last year due to the influence of the reduction in the budget of clients; (2) revenue from programme production and operation was mainly the revenue incurred by the Group's production of the original video programme "Scent of a Man"; (3) revenue from the operation of internet media was mainly the revenue from the internet operation of the three internet media platforms under the Group, namely lotour.com (樂途旅遊網), boosj.com (播視網) and wugu.com.cn (吾谷網). Since the fourth quarter of last year, revenues of lotour.com and boosj.com were duly consolidated into the Group's revenue from core businesses.

4. Rental income was RMB58,837 thousand, as compared with RMB34,509 thousand last year, which mainly represented the revenue from the lease of the office premises of the Group.

Both the revenue from core businesses and gross profit margin of the Group decreased as compared with last year. However, the Group's control on the operating expenses had achieved a satisfactory result while investment gain on the disposal of equity investments also partially contributed to the Group's profit. The profit attributable to equity shareholders of the Group for the year ended 31 December 2014 amounted to RMB306,571 thousand, representing a year-on-year decrease of 16.9% from RMB369,108 thousand last year.

OPERATING EXPENSES

For the year ended 31 December 2014, the Group's operating expenses were RMB168,110 thousand in aggregate, representing a year-on-year decrease of RMB17,374 thousand, and accounted for 10.3% of the Group's revenue (year ended 31 December 2013: 10.5%). In view of the uncertain domestic economic environment, the Group continued to strictly control the budget for operating expenses, bringing a slight decrease in the ratio of operating expenses to revenue over last year, maintaining at a relatively low level.

Operating expenses include the followings:

1. Selling and marketing expenses amounted to RMB54,654 thousand, showing a decrease of approximately RMB11,145 thousand from RMB65,799 thousand last year, and accounted for 3.4% of the Group's revenue (year ended 31 December 2013: 3.7%). The decrease in selling and marketing expenses was mainly due to the Group's strict control on expenses through further strengthening on budget management of expenses. Accordingly, expenses such as promotional and marketing expenses, conference expenses and entertainment expenses decreased by a total of approximately RMB13,234 thousand from last year.

2. General and administrative expenses amounted to RMB113,456 thousand, representing a decrease of RMB6,229 thousand from RMB119,685 thousand last year, and accounted for 6.9% of the Group's revenue (year ended 31 December 2013: 6.8%). The decrease in general and administrative expenses was mainly due to the fact that: (1) since the second half of 2013, the Group has orderly moved into the newly acquired office premises which saved external lease expenses, thus the lease expenses reduced by approximately RMB2,483 thousand over last year; (2) under the strict budget control, expenses such as the office expenses, printing expenses and entertainment expenses reduced by approximately RMB5,411 thousand over last year.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Major investments, acquisitions and disposals which took place during the year are as follows:

1. In December 2013, the Group reached an agreement with a third party to sell the Group's entire 4.375% equity investment in CNLive with a transaction consideration of RMB52,500 thousand. The transaction was completed in March 2014.

2. In August 2014, the Group entered into an equity transfer agreement with the minority shareholders of Beijing Golden Bridge Senmeng Media Advertising Company Limited ("Golden Bridge Senmeng") to acquire 10% equity interest in Golden Bridge Senmeng with a consideration of approximately RMB10,784 thousand. The transfer of equity was fully completed in September 2014 and Golden Bridge Senmeng had become a wholly owned subsidiary of the Group.

3. In September 2014, the Group signed a share redemption agreement with FoneNet Inc., requiring FoneNet Inc. to redeem the Group's entire equity in FoneNet Inc. at the agreed price USD10.5 million. The transaction was completed in December 2014.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy financial position and ample liquidity. As at 31 December 2014, the Group's cash and bank balances amounted to RMB801,773 thousand (31 December 2013: RMB1,070,106 thousand), of which approximately 87% was denominated in Renminbi and the remaining 13% in HK dollars and other currencies.

Despite a decrease in the Group's cash and bank balances as compared to the end of last year, the Group maintained cash and bank balances at a healthy level that can adequately meet our day-to-day working capital requirements and all financial obligations. During the year, details of the cash flows status were as follows:

1. Net cash outflow from operating activities was RMB118,690 thousand (year ended 31 December 2013: RMB262,428 thousand). The net outflow was mainly attributable to: (1) the full settlement to media suppliers of outstanding media agency costs for prior years during the year, which led to a significant decrease in trade payables from RMB294,084 thousand at the end of last year to RMB16,956 thousand by the end of this year; (2) prepayments to media suppliers of media agency costs and deposits increased due to the change in billing cycle, which led to an increase in prepayments by approximately RMB61,064 thousand over the end of last year;

2. Net cash outflow from investing activities was RMB144,409 thousand (year ended 31 December 2013: net cash inflow of RMB10,607 thousand). The net outflow was mainly attributable to: (1) the Group utilised various means of financial management which fulfilled the risk control requirements to raise the overall return on surplus funds. The cash outflow utilised on these bank deposits totalled RMB182,875 thousand; (2) cash inflow of RMB116,749 thousand regarding the disposal of equity investments; (3) cash outflow of RMB87,306 thousand regarding the payment of the balance of the related expenses for the acquisition of office premises;

3. Net cash outflow from financing activities was RMB8,596 thousand (year ended 31 December 2013: RMB120,866 thousand), which was mainly a short-term borrowing of RMB145,152 thousand obtained through credit facilities secured by deposits in the Mainland China for the payment of final and special dividends for 2013 of approximately RMB147,908 thousand in total.

As at 31 December 2014, the Group's total assets amounted to RMB2,392,432 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,669,408 thousand and non-controlling interests of RMB9,912 thousand.

As at 31 December 2014, the Group's outstanding bank loans amounted to RMB145,152 thousand, which was arisen from the Company's short-term borrowing obtained through credit facilities secured by deposits in the Mainland China.

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

HUMAN RESOURCES

As at 31 December 2014, the Group had a total of about 550 employees, a decrease from the beginning of the year. To optimise the organisation and personnel structure, the Group established leadership training and development programmes in which SinoMedia Training Camp for General Managers that showed good results on improving the management ability of managers of director level or higher as well as Management Trainee Program were launched during the year, so as to meet the demand of talents under the diversified business development of the Group. In addition, the Group continued to provide employees with an incentive and remuneration policy that was competitive. Completion of promotion channel for specialists enabled more professionals in the fields of technology, product, marketing and operation to enjoy great opportunity for development and munificent rewards in the Group. We provided employees with splendid and flexible benefit schemes such as insurance, housing provident fund, medical check-ups, overseas travel, professional salon and holiday gifts. Besides, we planned and provided professional training and team development training for various employees. Accordingly, we satisfied diverse needs of employees and ultimately strived to establish a competitive talent development platform. In order to align the personal interests of employees with those of shareholders, share options are granted to employees under the Company's share option schemes. Share options that were granted and remained unexercised as of the end of the period totalled 28,786,500 units.

INDUSTRY AND GROUP OUTLOOK

The coming year will be a critical year for the Group to make use of its advantages to attain sustainable development. With the objective of smoothly transiting from adjustment period and delivering the exploration, the Group strives to boost its traditional business and revitalises the new business to cater for the market.

With the GDP of China shifting from rapid growth to moderate growth, China's domestic economy has formally entered into a "new normal" stage. Accompanied with conflicts and problems, uncertainties still persist globally. In January 2015, Composite Purchasing Managers Index (PMI) of HSBC China was declined to 51%, hitting a record low in eight months while the official Manufacturing PMI in January also fell below 50% first time in two years. Both data showed that economic activities were suppressed. However, the Group believes that despite the significant problems and potential risks in current economy, China's domestic economy still possess the condition for stable growth while driving force and vitality of social and economic development are anticipated to bring in mid-to-long-term prosperity.

"Unity" is now the prime stream in media industry with "Integration" and "Consolidation" as the keynote. Enhancing the integration development of traditional media and emerging media not only is the significant strategic plan in national level, but also the realistic choice for the industry in order to follow the industry's momentum, deal with challenges and expand its own strength. Combining with its own advantages, the Group will focus on searching for characteristics that are competent with its development. At the same time, the Group will approach the market with open mind and actively conduct a wider scope of industrial consolidation.

Specifically, in the area of TV advertising and branding services, the Group will simultaneously start with marketing strategies and client retention with emphasis on cultivating the selling, cooperation, cognition and application abilities of the team in the said area. The Group will reinforce the research on methods of integrating traditional media with new media, broaden the development agenda with openness, intensively explore the new demands of its existing clients on communications, and underscore the tracking of the communication trend of clients in daily consumer goods and emerging industries. In Internet media and content operations cluster, lotour.com will aim at increasing the number of users in order to widen the scope of project cooperation on the base of intensifying the sophistication and content construction of its existing products, with the goal of setting up the best platform for brand content marketing of China's tourist destination. On the other hand, boosj.com will target at the comprehensive development of vertical channels and the matching content products and marketing proposals to form content features that help building a core user base. With the support of the three main products, namely "One Village, One Product", "Wugu Talents" and "Wugu's Good Projects", wugu.com.cn will make every effort to open up supply and demand channels, and realise the communication value by means of providing information communication platform services. For content operations, the Group's focus point in the coming year will be the research and development as well as the integration of lifestyle and humanities programmes that contain communication value of long-term content, and of contents that contain national and international communication values while at the same time looking for cooperation platform and the meeting point for demand and supply of client resources to bring in creativity and innovation to the programmes.

The Group has always been persistent on the path of becoming an industry leader in China and an influential media corporation in the Asia Pacific region.

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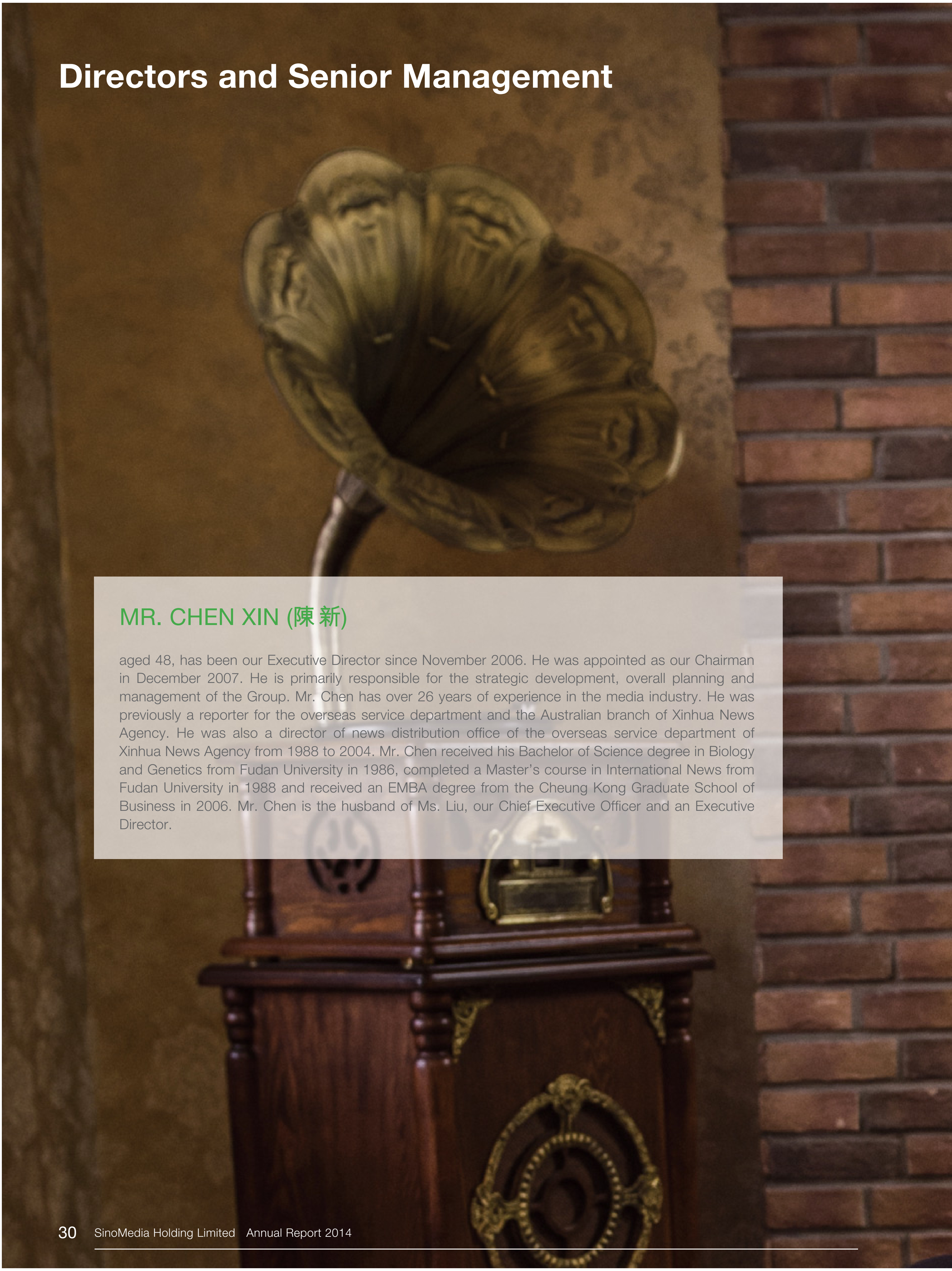


Directors and Senior Management

MR. CHEN XIN (陳新)

aged 48, has been our Executive Director since November 2006. He was appointed as our Chairman in December 2007. He is primarily responsible for the strategic development, overall planning and management of the Group. Mr. Chen has over 26 years of experience in the media industry. He was previously a reporter for the overseas service department and the Australian branch of Xinhua News Agency. He was also a director of news distribution office of the overseas service department of Xinhua News Agency from 1988 to 2004. Mr. Chen received his Bachelor of Science degree in Biology and Genetics from Fudan University in 1986, completed a Master's course in International News from Fudan University in 1988 and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Mr. Chen is the husband of Ms. Liu, our Chief Executive Officer and an Executive Director.

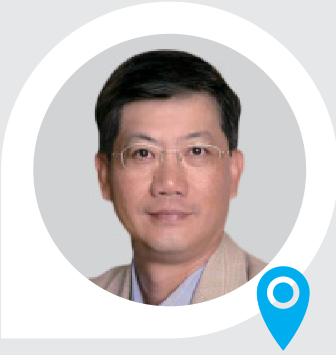
MS. LIU JINLAN (劉矜蘭)

aged 46, has been our Chief Executive Officer since she founded the Group in 1999. She has served as a Director since 24 October 2001. She is primarily responsible for the overall management of business operation and customer development. Ms. Liu previously worked at CCTV as a news broadcaster, a reporter and then a director from 1995 to 1998.

Since she founded our Group, she was instrumental in designing and executing advertising campaigns which have influenced the TV media industry, for which she was jointly recognized as one of the "Top Ten Female Advertising Professionals of China" (中國十大最具風采女性廣告人) by CCTV, Advertising School of the Communication University of China (中國傳媒大學廣告學院), "Advertising Guidance" (廣告導報) and "Business" magazine (經營者雜誌社) in 2006. She was elected chairman of The Association of Accredited Advertising Agencies of China (中國4A協會) in January 2008, and jointly recognised as one of the "2008 Top Ten People in Media Advertising of China" (2008中國十大傳媒廣告人物) by School of Journalism and Communication of Renmin University of China (中國人民大學新聞學院), Journalism School of Fudan University (復旦大學新聞學院) and other institutions in December 2008. In 2009, in a celebration marking the 60th founding of New China, she was jointly recognised as the "2009 China's Advertising Industry's Outstanding Woman" (2009年度中國廣告行業傑出女性) by China Advertising Association of Commerce (中國商務廣告協會), Beijing Advertising Association (北京廣告協會), "21st Century Advertising Magazine" (21世紀廣告雙週刊), and the organizing committee of the 21st AD International Summit (21世紀廣告國際峰會組委會). She was also elected a vice-chairman of the first Media Committee of China Association of National Advertisers (中國廣告主協會) in December 2009. She was jointly recognized for two successive years as one of the 2009/2010 and 2010/2011 "Top Ten influential Female Advertising Professionals of China" (中國最具影響力十大女性廣告人) by "Advertising Guidance" magazine (廣告導報雜誌社) and MBA School of the Communication University of China (中國傳媒大學MBA學院) in September 2010 and April 2011 respectively. She was elected as the deputy head of Advertising Artistic Committee of China Television Artists Association (中國電視藝術家協會廣告藝術委員會) in March 2012. She was elected as the vice president of Beijing Chaoyang District Association of Women Enterpreneurs (北京市朝陽區女企業家協會) in July 2012. She became the Beijing member of China National Democratic Construction Association (中國民主建國會) in August 2012, and served as the committee member of Beijing Committee of China National Democratic Construction Association (中國民主建國會北京市委員會) since November 2012. She also served as a supervisor of MBA of Year 2012 of Cheung Kong Graduate School of Business in November 2012. She was recognized as "Person of the Year" (年度人物獎) by The Association of Accredited Advertising Agencies of China in October 2013. In March 2014, she was recognized as one of the 2013/2014 "Top Ten Female Advertising Managers of China" (十大女性廣告經理人) by "Advertising Guidance" magazine (廣告導報雜誌社). Ms. Liu graduated from the Beijing Broadcast Institute with a certificate in Linguistics, and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Ms. Liu is the wife of Mr. Chen, our Chairman and an Executive Director.

MR. LI ZONGZHOU (李宗洲)

aged 47, joined the Group in 2000 as a financial supervisor and had been our General Accountant from 2007 to 2008. He was then a Vice President and is currently our Chief Internal Control Officer. He was appointed as a Director in November 2006. Mr. Li is responsible for financial accounting, risk management, legal affairs and financial contract management of the Group. He was previously the chief accountant and head of the financial department of Dunhua Forest Bureau from 1987 to 2000. Mr. Li received his Bachelor of Arts degree in Economics from Renmin University of China in 1990. Mr. Li is the husband of Ms. Liu's niece.



MR. HE HUI DAVID (何暉)

aged 54, has been our Non-executive Director since August 2011. He is currently an Operating Partner of Bain Capital Asia, LLC. He has more than 20 years of experience in engineering, sales and marketing and general business management in the United States of America and Asia. Before joining Bain Capital Asia, LLC in 2007, Mr. He had spent over 13 years with General Electric (GE) in various capacities. Mr. He received his Ph.D. degree in Physics from the University of Michigan in Ann Arbor, the United States of America. He obtained a Master degree in Business Administration from Kellogg School of Business at the Northwestern University and was a graduate of the Peking University in the PRC.

MR. LIAN YUMING (連玉明)

aged 51, was appointed as our Independent Non-executive Director in May 2011. Mr. Lian graduated from the Shanxi University (山西大學) in 1987 with a Bachelor of Laws degree and then a Ph.D. degree in Engineering from the China University of Geosciences (中國地質大學) in 2013. He currently serves as the President of the International Institute for Urban Development, Beijing (北京國際城市發展研究院), the President of Capital Association for Scientific Decision-Making (首都科學決策研究會), the Chairman of The Foundation of International Cities Forum (國際城市論壇基金會), the Vice President of the Beijing Federation of Social Science Circles (北京市社會科學界聯合會) and a committee member of the Expert Consultative Committee of the Beijing Municipal Government (北京市政府專家諮詢委員會). He has a number of publications including the Report on Competitiveness of Chinese Cities (中國城市綜合競爭力報告), the Report on the Living Quality of Chinese Cities (中國城市生活質量報告), the Report on the Brand Value of Chinese Cities (中國城市品牌價值報告), the Report on the Core Problems of the 11th Five-Year Plan of Chinese Cities (中國城市「十一五」核心問題研究報告), the Report on the Core Problems of the 12th Five-Year Plan of Chinese Cities (中國城市「十二五」核心問題研究報告) and the Report on Innovations of China's Social Administration (中國社會管理創新報告). Mr. Lian has received various awards from government bodies and communities in recognition of his achievement and contribution to society, including the Beijing Municipal Committee of the Chinese People's Political Consultative Conference (政協北京市委員會).

MR. QI DAQING (齊大慶)

aged 50, has been our Independent Non-executive Director since May 2008. He taught as an assistant professor and then an associate professor in accounting at The Chinese University of Hong Kong between 1996 and 2002. Mr. Qi joined the Cheung Kong Graduate School of Business in July 2002 where he currently serves as a professor of Accounting. He serves as an independent director, the Chairman of audit committee and a member of remuneration committee of Sohu.com Ltd. and Honghua Group Limited respectively, and serves as an independent director and the Chairman of audit committee of iKang Healthcare Group, Inc. and Bona Film Group Limited respectively, and serves as an independent director and a member of audit committee, remuneration committee and nomination committee of MOMO Inc. Mr. Qi obtained a Bachelor of Science degree in Biological Physics in 1985 and a Bachelor of Arts degree in International Mass Communication in 1987, both from Fudan University in Shanghai. He received an MBA degree from the University of Hawaii at Manoa in 1992 and then a Ph.D. degree in Accounting from the Michigan State University in 1996.

Mr. Qi currently holds directorships in the following publicly listed companies: Sohu.com Ltd. (NASDAQ), Honghua Group Limited (Hong Kong Stock Exchange), iKang Healthcare Group, Inc. (NASDAQ), MOMO Inc. (NASDAQ), and Bona Film Group Limited (NASDAQ).

Through his roles as an independent director in various companies and as a result of his overall professional experience, Mr. Qi has obtained expertise in accounting and financial management. In addition to lectures and presentations in accounting issues at various professional settings, he has authored research papers on accounting, financial reporting, capital market and other related topics that are published in leading academic journals. Mr. Qi is experienced in reviewing and analysing financial statements of public companies.

MS. WANG XIN (王昕)

aged 43, has been appointed as our Independent Non-executive Director in May 2012. Ms. Wang was the Joint President and Chief Operation Officer of Sohu.com Ltd. from 2009 to March 2014. She joined Sohu.com Ltd. in 1999. Prior to joining Sohu.com Ltd., Ms. Wang accumulated extensive experience in the field of sales and marketing. She worked in various companies, including Motorola (China) Company Limited where she served as an officer of the Marketing and Government Relations Department from 1996 to 1997. Ms. Wang graduated from Beijing Technology and Business University in China in 1992 with a Bachelor of Arts. She obtained a diploma in Applied Linguistics at the Southeast Asian Ministers of Education Organization Regional Language Centre, Singapore in 1996 and completed the China CEO program jointly offered by Cheung Kong Graduate School of Business, Columbia Business School, International Institute for Management Development and London Business School in 2011.

MR. CHEN QING (陳清)

aged 37, was appointed as a Vice President of the Group in 2012, and is responsible for the brand building, marketing and promotion, media strategy, product design, the use and management of media resources, and creative production of advertisement and content of the Group. Since joining the Group in June 2005, Mr. Chen served as the financial manager, deputy financial controller, Board secretary, general manager of marketing and media strategy, and general manager of Beijing Taihe Ruishi Advertising Company Limited, a wholly-owned subsidiary of the Group. He is extensively experienced both theoretically and practically in the areas of financial management, marketing and sales, media studies and strategy, and media operations. Mr. Chen once worked at Lianxun Securities (聯訊證券) of SEEC (聯辦集團), responsible for marketing and sales. Mr. Chen graduated from the University of International Business and Economics and received his Bachelor degree in Economics.

MS. JIN LANXIANG (金蘭香)

aged 36, had been our Senior Vice President since April 2008, and was appointed as the Group's Chief Marketing Officer in 2011, in charge of the advertising sales of CCTV programs to which the Group has exclusive underwriting rights. She joined the Group in 2001 and was the General Manager of our City Branding Centre from 2006 to 2007. Ms. Jin has worked in media industry for more than 10 years and has extensive media sales experience and systematic media sales idea, providing a strong and solid customer base for the Group. Ms. Jin has successfully provided services to over 100 city and travel-related clients and participated in the provision of communication services for more than 200 large and medium-size enterprises. Ms. Jin majored in Finance at Beijing Construction University from 1996 to 1999.

MR. LIU XUMING (劉旭明)

aged 47, was our Senior Vice President from 2005 to 2010, and was appointed as our Chief Operation Officer in 2011. Mr. Liu also has served as Chairman and President of Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") since August 2013. Mr. Liu is in charge of the management of the Group's operation planning and the overall operation management of Lotour Huicheng. He joined the Company in November 1999. Mr. Liu has over 10 years of experience in city branding management, media operation and management, advertisement creative design and market development, and has a strong understanding of the media development and positioning, creative design and media operation. He was the President of Dunhua Cable TV Station in Jilin Province from 1997 to 1999. Mr. Liu served as the Chairman of Supervision and Examination for China Public Service Advertisement Grand Prix in 2010, chaired the judge for two successive years for China 4A Golden Seal Awards Media Category in 2012 and 2013 and also served as a judge for CCTV National Competition on TV Public Service Advertising in 2013. Mr. Liu received an MBA degree from California University of Management and Sciences in 2003.

MR. HUANG PING (黃平)

aged 50, has been our Senior Vice President since December 2011, and is responsible for the strategic development of media contents and channel platforms. Mr. Huang has extensive media-related work experience. He worked for MTV as its Senior Vice President and General Manager for Greater China from 2009 to 2011. From 2006 to 2009, he was a Vice President in STAR China Co., Ltd. Before that, Mr. Huang was an Associate Director for the Satellite Channel under Shanghai Media Group and has accumulated extensive experience in programme production and distribution. Mr. Huang obtained a Bachelor degree from the Journalism Department of Fudan University in 1986 and finished his postgraduate study in International News in Fudan University in 1988.

MS. ZHANG WEIWEI (張薇薇)

aged 32, has been our Vice President since October 2013, responsible for the market development of our agricultural exclusive media resources and administration management of the Group. She joined the Group in 2005, and was the Vice General Manager of Corporate Brand Marketing Centre of the Group in 2010 and 2011. Then, she has been the General Manger of Beijing Golden Bridge Senmeng Media Advertising Co., Ltd. ("Golden Bridge Senmeng"), a subsidiary of the Group since October 2011, responsible for overall management of business operation of Golden Bridge Senmeng. Ms. Zhang has rich experience of more than 8 years in TV media marketing and team management. She has made considerable contribution to Golden Bridge Senmeng, continuously improved operating system of management, expanded customer base with brands and optimised media resources, etc. Ms. Zhang graduated from Xi'an International University in 2004, majored in Economic Management.

MR. WANG YINGDA (王英達)

aged 36, was the deputy general manager of the Group's finance department from July 2012 to January 2014, and has been our Vice President of the Group since October 2014, to assist the Chairman of the Board in carrying on affairs of the listed company and investor relations, and to assist the Chief Internal Control Officer in financial compliance management. Mr. Wang has over 10 years of experience in accounting and auditing, and was an audit manager of KPMG before joining the Group. He is an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Chinese Institute of Certified Public Accountants. Mr. Wang received a Bachelor of Business Administration degree from The Chinese University of Hong Kong in 2002 and a Master of Arts degree from Newcastle University, the United Kingdom, in 2004.

MR. CUI RUI (崔銳)

aged 40, has been our Vice President of the Group since October 2014, responsible for the management of integrated brand communication services. Mr. Cui joined the Group in March 2003, and had been our Vice President from April 2008 to July 2010. Then he has been the Assistant to the Chairman, and the General Manager of Beijing Golden Bridge Yunhan Advertising Company Limited ("Golden Bridge Yunhan"), a subsidiary of the Group, responsible for overall management of business operation of Golden Bridge Yunhan. Mr. Cui has over 10 years of experience in advertising, and has accumulated a wealth of experience in serving corporate customers. Between 1999 and 2002, he worked for Beijing Great Dragon Advertising Co., Ltd. as a media manager. From 2002 to 2003, he was the operating manager of Asia Digital Interactive Media Ltd. Mr. Cui received a Bachelor of Arts degree from University of International Business and Economics in 1997 and a Bachelor degree in Advertising from Communication University of China in 2005.

MS. ZHOU JUNHUA (周俊華)

aged 37, has been our Vice President since October 2013, responsible for the overall management of city tourism brand communication business of the Group. She joined the Group in August 2002, and had been the General Manager of City Brand Marketing Centre since 2011. Ms. Zhou has 4 years frontline sales experience and 8 years team management experience. With more than 12 years working experience in media industry, she established her own style in the field of city tourism brand communication. She has successfully developed and provided services for more than 1,000 customers, effectively ensured the Group's leading position in this field. Through 8 years' professional team management, Ms. Zhou has initiated unique and systematic media marketing management ideas and methods which have been applied and promoted successfully in practice, and made important contribution to the sales performance of the Group. Ms. Zhou graduated from Shashi University (沙市大學) in 1999, majored in Finance.

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Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attaining and upholding a high standard of corporate governance practices to protect the interests of shareholders and the Company as a whole. The Company has made continuous efforts to constantly review and improve its corporate governance system in light of changes in regulations and developments in best practices and to ensure that the Group is under the leadership of an effective Board of Directors (the "Board") to maximise return for shareholders.

The Company has adopted the code provisions ("Code Provisions") of the latest Corporate Governance Code and Corporate Governance Report (hereinafter referred to as the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the guidelines for corporate governance of the Company. During the year ended 31 December 2014, the Company has fully complied with all Code Provisions and where applicable, the recommended best practices prescribed in the Code, except for the following deviations:

1. Code Provision A.6.7

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged business engagements which must be attended to by Mr. Ding Junjie, Mr. Qi Daqing, and Mr. Lian Yuming, the Independent Non-executive Directors of the Company, they were not able to attend the annual general meeting of the Company held on 12 June 2014.

2. Code Provision F.1.2

Under Code Provision F.1.2, the board should approve the selection, appointment or dismissal of the company secretary by a physical board meeting rather than a written resolution.

The Board has approved the appointment of Mr. Wang Yingda ("Mr. Wang") as the Company Secretary of the Company pursuant to a written resolution dated 31 December 2014 and signed by all Directors. Given Mr. Wang is an employee of the Company and had been the Group's deputy general manager in Finance from July 2012 to January 2014, the Directors are familiar with Mr. Wang and are confident of his credentials. To ensure all Directors had given sufficient consideration in approving the appointment of Mr. Wang as the Company Secretary of the Company, the biography of Mr. Wang had been circulated for Directors' consideration before the approval.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, the Directors of the Company (the "Directors") confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2014.

1. Composition of the Board

During the year ended 31 December 2014, the Board comprised the following Directors:

EXECUTIVE DIRECTORS:	**NON-EXECUTIVE DIRECTOR:**	**INDEPENDENT NON-EXECUTIVE DIRECTORS:**
Mr. Chen Xin *(Chairman)*	Mr. He Hui David	Mr. Ding Junjie (resigned on 27 January 2015)
Ms. Liu Jinlan *(Chief Executive Officer)*		Mr. Qi Daqing
Mr. Li Zongzhou		Mr. Lian Yuming
		Ms. Wang Xin

The Directors possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographical details of the Directors and the relationship between members of the Board are set out in the "Directors and Senior Management" section on pages 30 to 41 of this annual report.

Save and except that Mr. Chen Xin is the spouse of Ms. Liu Jinlan and that Mr. Li Zongzhou is the husband of Ms. Liu Jinlan's niece, there are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

2. Chairman and Chief Executive Officer

The positions of the Chairman of the Board and the Chief Executive Officer are held by separate individuals to ensure that a segregation of duties and a balance of power and authority are achieved. The Chairman is responsible for overseeing all Board functions in accordance with good corporate governance practice, developing strategies and instilling corporate culture. The Chief Executive Officer is responsible for formulating detailed plans for implementation of the objectives set by the Board and mainly focuses on the day-to-day management and operation of the Group's business. Currently, the Chairman of the Board is Mr. Chen Xin and the Chief Executive Officer of the Company is Ms. Liu Jinlan.

3. Non-executive Directors

The Non-executive Directors, more than half of which are independent, play an important role in the Board. They possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. Accounting for the majority of Board members, they provide adequate checks and balances for safeguarding the interests of the shareholders and the Group as a whole.

The Non-executive Directors of the Company are appointed for a term of three years and are subject to retirement by rotation at the Company's annual general meetings at least once every three years in accordance with the Articles of Association of the Company.

The Company has received annual written confirmation from each Independent Non-executive Directors of his or her independence to the Company pursuant to the requirements of the Listing Rules. The Company has assessed the independence and considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company also has at all times complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors and the appointment of an Independent Non-executive Director with appropriate professional qualifications, on accounting or related financial management expertise.

4. Division of Responsibilities of the Board and the Management of the Company

The Board steers the Group's business direction. It is responsible for formulating the Group's long-term strategies, setting business objectives, monitoring the management's performance, and ensuring strict compliance with relevant statutory requirements and effective implementation of risk management measures on a regular basis.

The management under the leadership of the Chief Executive Officer is responsible for the day-to-day management of the Group's businesses and implementation of the strategy and direction set by the Board.

To ensure the operational efficiency and specific issues are being handled by relevant expertise, the Board delegates certain powers and authorities from time to time to the management.

The types of decisions which are reserved for the approval by the Board (or the Board committees) include those relating to:

- corporate and capital structure;
- corporate strategy;

- significant policies affecting the Company as a whole;

- business plan, budgets and public announcements;

- delegation to the Chairman, and delegation to and by Board committees;

- key financial matters;

- appointment, removal or reappointment of Board members, senior management and auditors;

- remuneration of Directors and senior management;

- communication with key stakeholders, including shareholders and regulatory bodies; and corporate governance duties.

The types of decisions that the Board has delegated to the management include:

- approving the extension of the Group's activities not in a material manner into a new geographic location or a new business;

- assessing and monitoring the performance of all business units and ensuring that all necessary corrective actions have been taken;

- approving expenses up to a certain limit;

- approving the entering into of any connected transactions not requiring disclosure under the Listing Rules;

- approving the nomination and appointment of personnels other than the member of the Board, senior management and auditors;

- approving press release concerning matters decided by the Board;

- approving any matters related to routine matters or day-to-day operation of the Group (including the entering into of any transaction not requiring disclosure under the Listing Rules and cessation of non-material part of the Group's business); and

- carrying out any other duties as the Board may delegate from time to time.

5. Board Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. Directors may participate in person or through electronic means of communication. Four regular Board meetings and an annual general meeting were held during the year and were attended by a majority of the Directors in person or through other electronic means of communication. Attendances at the Board meetings and the annual general meeting of each Director are set out as follows:

	NUMBER OF MEETINGS ATTENDED/HELD	
DIRECTORS	**Board Meetings**	**Annual General Meeting**
Executive Directors:		
Chen Xin	4/4	1/1
Liu Jinlan	4/4	1/1
Li Zongzhou	4/4	1/1
Non-executive Director:		
He Hui David	2/4	1/1
Independent Non-executive Directors:		
Ding Junjie (resigned on 27 January 2015)	2/4	0/1
Qi Daqing	2/4	0/1
Lian Yuming	2/4	0/1
Wang Xin	2/4	1/1

Notices of Board meetings are given to all Directors at least 14 days prior to the date of each regular Board meetings. Meeting agendas and any accompanying board papers are generally sent to all Directors at least 3 days before the date of meetings. All Directors are encouraged to propose new items as any other business for discussion at the meetings. The Board and each Director have separate access to the Company's senior management for information at all times and may seek independent professional advice at the Company's expenses in carrying out their duties, if necessary. Draft and final versions of the minutes of the meetings, drafted in sufficient details by the Company Secretary, were circulated within a reasonable time after each meeting to the Directors for their comment and record respectively. Originals of such minutes, kept by the Company Secretary, are open for inspection by all Directors at any reasonable time. Procedures for convening meetings of the Board and Board committees and for preparing minutes of the meetings have complied with the requirements of the Articles of Association of the Company and applicable laws, rules and regulations.

6. Appointment, Re-election and Removal of Directors

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

Each of the Directors has entered into a service contract with the Company for a specific term and is subject to retirement by rotation at annual general meetings at least once every three years. In accordance with the Articles of Association of the Company, three Directors shall retire at the next following annual general meeting of the Company and shall be eligible for re-election. The names and biographical details of the Directors who will offer themselves for re-election at the forthcoming annual general meeting are set out in the circular to shareholders dated 22 April 2015 to assist shareholders in making an informed decision on the elections.

Having been made specific enquiry, the Directors confirmed that the terms of their respective service contracts had been complied with and they had no interest in any company or business which competed either directly or indirectly with the Group's business.

7. Remuneration of Directors

The Executive Directors and the Non-executive Directors did not receive any allowance for their service provided as Directors throughout the year ended 31 December 2014. Executive Directors who are also the Company's staff are entitled to receive salaries according to their respective positions taken on a full-time basis in the Company.

Three out of the four Independent Non-executive Directors were remunerated at RMB142 thousand and the remaining was remunerated at RMB158 thousand for their service provided for the year under review.

Information relating to the remuneration of each Director for the year under review is set out in note 7 to the financial statements on page 106 of this annual report.

8. Training of Directors

Pursuant to Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year under review, all Directors have participated in continuous professional development by reading relevant materials on the topics related to corporate governance and regulations.

9. Board Committees

The Board has established four Board committees with specific terms of reference, namely the Audit Committee, the Remuneration Committee, the Compliance Committee and the Nomination Committee. All terms of reference of the Board committees are on terms no less exacting than those set out in the Code.

Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process and internal controls and review of the Company's financial statements. The Audit Committee also reviews and monitors the scope and the effectiveness of the work of external auditors.

The Audit Committee met three times during the year under review. Currently, the committee comprises three members, all of whom are Independent Non-executive Directors. The composition of the committee and the attendances at the meetings by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Qi Daqing *(Chairman)*	3/3
Ding Junjie (resigned on 27 January 2015)	2/3
Lian Yuming	3/3
Wang Xin (appointed on 27 January 2015)	0/0

At the meetings, the committee:

- reviewed with the management and the external auditors the effectiveness of audit process and the accounting principles and practices adopted by the Group, and the accuracy and fairness of 2013 annual report and 2014 interim report;
- reviewed with the management the Listing Rules compliance and the internal control effectiveness of the Group; and
- reviewed the terms of appointment of external auditors, and ensured the continuing independence of external auditors and the effectiveness of their audit process adopted.

Remuneration Committee

The Remuneration Committee was established to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments inclusive of any compensation payable for loss or termination of their office or appointment, and to make recommendations to the Board on the remuneration of Non-executive Directors.

During the year under review, the Remuneration Committee met once. At the meeting, the committee reviewed and made recommendations on the policy and structure for remuneration of Directors and senior management. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Ding Junjie *(Chairman)* (resigned on 27 January 2015)	1/1
Chen Xin	1/1
Lian Yuming	1/1
Wang Xin *(Chairman)* (appointed on 27 January 2015)	0/0

Compliance Committee

The Compliance Committee was established to oversee the Group's compliance with regulatory requirements and make recommendations to the Board on improvement of corporate governance of the Group.

One meeting was held during the year under review. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Li Zongzhou *(Chairman)*	1/1
Chan Oi Nin Derek (resigned on 31 December 2014)	1/1
Wang Yingda (appointed on 31 December 2014)	0/0

At the meeting, the committee:

- discussed strategies for tax planning and reviewed corporate information issued by the Group to ensure compliance in every respect with the Listing Rules;
- checked transactions entered into by the Group to ensure compliance with the relevant laws and regulations applicable to the Group;
- reviewed and monitored the training and the continuous professional developments of Directors and senior management, and the code of conduct applicable to Directors and employees;
- reviewed the policy for the corporate governance of the Company; and
- reviewed the consultation conclusions on the risk management and internal control systems of the Code.

Nomination Committee

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, and monitoring the appointment and succession planning of Directors.

The Company has adopted a board diversity policy ("Board Diversity Policy") on 22 August 2013 which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Board Diversity Policy sets out objective criteria such as academic strength, experience in the relevant industry against which candidates will be assessed. The Company considers that the current composition of the Board is characterised by diversity, whether considered in terms of professional background and skills.

During the year under review, one meeting of the Nomination Committee was held. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Chen Xin *(Chairman)*	1/1
Ding Junjie (resigned on 27 January 2015)	1/1
Lian Yuming	1/1
Wang Xin (appointed on 27 January 2015)	0/0

At the meeting, the committee:

- reviewed the structure, size and diversity of the Board;
- assessed the independence of Independent Non-executive Directors; and
- reviewed the time required from Directors to perform their responsibilities.

10. General

The Company has arranged directors' and officers' liability insurance for all Directors and senior officers against legal liability arising from their performance of duties. The insurance coverage is reviewed on an annual basis.

FINANCIAL REPORTING

1. Financial Reporting

Management of the Company provides explanation and information to the Board to facilitate an informed assessment of financial statements and other information put before the Board for approval. The Board acknowledges its responsibility in the preparation of financial statements to give a true and fair view of the Company's state of affairs. In the preparation of financial statements, the International Financial Reporting Standards have been adopted and appropriate accounting policies have been consistently used and applied.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board continues to prepare the financial statements on a going concern basis.

The reporting responsibilities of the Group's external auditors, KPMG, are set out in the Independent Auditor's Report on page 73 of this annual report.

2. External Auditors

Management performs a review of remuneration to external auditors on an annual basis. The fees for audit services have been reviewed by the Audit Committee, and the fees for non-audit services, if any, are approved by management.

3. Auditors' Remuneration

The total fee charged by the auditors generally depends on the scope and volume of the auditors' work. During the year under review, RMB3,200 thousand was charged by the Group's external auditors for annual audit services and the auditors did not provided any non-audit services for the Group.

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal control system in the Group. The Board had conducted an annual review of the effectiveness of the internal control system of the Company and its subsidiaries, including financial, operational and compliance controls and risk management functions. Proper controls are in place, in order to record the accounting and management information in a complete, accurate and timely manner. Regular reviews and audits are carried out to ensure that the preparation of financial statements in accordance with the Group's accounting policies and applicable laws, rules and regulations, thereby providing reasonable assurance regarding effective operation of the Group's business.

The Group has established a clear organisational structure, including the delegation of appropriate responsibilities from the Board to the Board committees, members of senior management and the heads of operating divisions.

An internal audit department was established to review major operational and financial systems of the Group on a continuing basis and it aims to cover all significant functions within the Group on a rotational basis. The scope of the internal audit department's review and the audit programmes have been approved by the Audit Committee. The department reports directly to the Audit Committee and the Chairman of the Board, and submits regular reports for their review in accordance with the approved programmes. The department submits a detailed report at least once a year to the Board for their review and monitors the effectiveness of the system of internal control of the Group.

External auditors will also report on weaknesses in the Group's internal control and accounting procedures which have come to their attention during the course of audit.

For the year ended 31 December 2014, no critical internal control issues have been identified.

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, as well as communications among the Board members, the shareholders and the management. Mr. Chan Oi Nin Derek served as the Company Secretary of the Company during the year ended 31 December 2014. Mr. Chan possesses the professional qualifications as required under rule 3.28 of the Listing Rules. During the year under review, Mr. Chan has undertaken no less than 15 hours of relevant professional training by attending seminars to update his knowledge and skills in compliance with Rule 3.29 of the Listing Rules.

Mr. Chan resigned as Company Secretary with effect from 31 December 2014 and Mr. Wang Yingda was appointed as the Company Secretary in place of Mr. Chan with effect from 31 December 2014. Mr. Wang is a full time employee of the Company and possesses the professional qualifications as required under rule 3.28 of the Listing Rules. The biography of Mr. Wang is set out in the section "Directors and Senior Management" on page 40 of this report.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company has set up and maintained various channels of communication with its shareholders and the public to ensure that they are kept abreast of the Company's latest news and development. Information about the Company's financial results, corporate details and major events are disseminated through publication of announcements, circulars, interim and annual reports and press release. All published information is promptly uploaded to the Company's website at www.sinomedia.com.hk, for public access.

Press conferences and analysts' briefings are held at least twice a year subsequent to the interim and final results announcements in which the Directors and management are available to answer questions about the Group. Shareholders can also submit enquiries to the management and send proposals to be put forward at shareholders' meeting to the Board or senior management by sending emails to ir@sinomedia.com.hk or making phone calls to our investor hotline at 86-10-65896899. In addition, the Company's dedicated investor relations team takes a proactive approach to communicate with existing and potential investors in a timely manner by making regular face-to-face meetings and conference calls with investors.

Under the Company's Articles of Association, the Board, on the requisition of shareholders of the Company holding not less than 10% of the paid-up capital of the Company, can convene an extraordinary general meeting to address specific issues of the Company. At the annual general meeting, shareholders can raise any questions relating to performance and future direction of the Group with the Directors. The Company maintains contact with its shareholders through annual general meeting or other general meetings, and encourages shareholders to attend those meetings.


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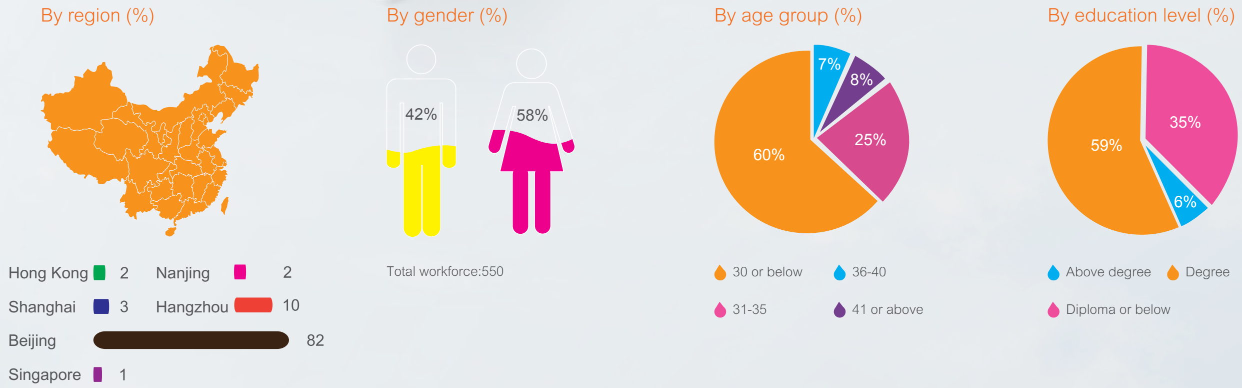
Corporate Social Responsibility Report

— Value, Culture and Sustainable Development

SinoMedia emphasises corporate value. Apart from the corporate profit indicator that reflects important value in the traditional concept, it puts more colour on the value cultivation of its staff and the value creation for the environment, clients, shareholders and society. SinoMedia focuses on corporate culture. Adhering to the principle of "care, responsible and inclusive", SinoMedia is dedicated to building a warm, harmonious, welcoming and family-like working environment. A wide range of cultural activities is arranged in the "big family" almost every month.

SinoMedia is committed to sustainable development. By means of ethical operation management with courtesy and integrity, development strength is agglomerated into power of branding and the capability for sustainable growth.

DEMOGRAPHICS OF EMPLOYEES



EMPLOYEE DEVELOPMENT AND TRAINING

SinoMedia has been recognising personnel cultivation as its long-term strategic development goal. In year 2014, the Group established and implemented a series of specific training and development programmes for its employees with a view to build a long-term development platform to meet the diversified demand for personal growth.

During the year, the Group organised a total of 98 training sessions, representing an increase of 63% over the previous year, of which 66 were professional training sessions, 4 were management training sessions, 22 were training sessions for new employees, 4 were external training sessions and 2 seasons of training series on specific topics, with an overall satisfaction of 95%. The progress and development were as follows:

1. Started with basic needs. Adjusted the format and content of training, made training become a benefit welcomed by employees. "New employees training sessions", with post-90s as major attendants, were condensed into 1.5 hours from 8 hours of the previous year to enhance the efficiency of both the employees and the Company. Professional training was the highlight in the Group's training system, with higher frequency of training sessions and more related input. In order to provide the employees with their required information in a timely manner, relevant departments prepared the training courseware in a readable format for mobile terminals to improve the utilisation rate of the training tools and materials.

2. Started with problems solving. Carried out training on specific topics, provided employees of different levels with practical support. In March 2014, "SinoMedia Campus Recruiting Programme – Titanium Plan S1" (Management Trainee Program) was launched to cultivate talented graduates, to let the graduates gain experience in the industry promptly with their strengths to meet challenges in the workplace. In July 2014, "2014-2015 SinoMedia Training Camp for General Managers" was launched to solve problems in various aspects of individual, team and organisation faced by mid-level managers through customised solutions.

3. Started with the effectiveness of application. Self-developed interesting training materials to enhance better results. The implementation of specific training programmes as well as the introduction and secondary development of "Colour Test on Team Behaviour" effectively helped managers in understanding the characteristics of the team members, thus enabled the team members to understand each other and enhanced the efficiency of cooperation. Consequently, it was further applied in business expansion and development to identify the characteristics of clients, and hence became a popular training tool among all departments.

ENVIRONMENTAL PROTECTION

SinoMedia spares no effort in protecting the environment and takes the initiative to create a healthy, natural and green environment. Starting with its group companies, the Group consistently improves its energy efficiency by adopting strategic energy-saving measures including water, electricity and fuel conservation measures, enhancement of vehicle efficiency, recycling of materials, provision of green tips to all employees, and production of public service advertisements in relation to environmental protection issues such as waste sorting, etc.

1. Energy Conservation System. The Group has actively implemented an accountability system, emphasised on switching off lights and power sources after work in the "Notification of Monthly Check", to advocate appropriate use of electricity. Announcements and reminders are also made in the work chat groups. For the sake of water and energy conservation, the Group specifically employs dedicated support staff to patrol the office regularly every night in order to make sure that all water and power sources are switched off after business hours.

2. Paper Usage. Usage of paper sharply increased due to the rapid expansion of the Group. In order to enhance the efficiency in utilisation of materials, the Group has established and implemented a network office system — the OA office automation system. Through advocating paperless office and operation, and encouraging reuse of paper, approximately 300,000 pieces of paper were saved during the year, in the process of advertisement production, visitor reception, attendance management and meeting management, etc. Calculated on the basis of about 4 to 5 grams per A4 paper, the total amount of paper saved was approximately 1 to 1.5 tonnes.

3. Emission Reduction in Operation and Business. During the year, the supply of bottled water for meetings has been cancelled in general through advocating of environmental protection and emission reduction, thus reducing the white pollution. Moreover, the Group actively encouraged its employees to reduce unnecessary business trips. Face-to-face meetings have been replaced by telephone conferences to reduce flights. Following a rank system, employees are encouraged to travel by train instead of flight, thus lowering the carbon emission arising from transportation during business trips.

EMPLOYEE ACTIVITIES AND WELFARE

Joyful Working and Healthy Living

1. Sports, "SinoMedia Sports Day" is an annual sports event organised by the Group, aim to promote health and physical training among staff. This year the theme of the annual campaign was "Act for Charity, Run for Love". The included exercises and competitions prevented occupation-related fatigue and diseases arising from prolonged computer usage.


Act for Charity, Run for Love

2. Medical Check-ups. The Group has been providing its employees with quality general medical check-ups conducted by professional physical examination organisations for thirteen consecutive years since 2002. SinoMedia regards the health and happiness of its employees as the best return to their families.

3. Healthy Lunch. The Group provided its employees with a lunch card during the year to ease their catering problem. Meanwhile, balanced diet was promoted in the entire group. Health issues such as vegetarianism and diet diversification were discussed and employees were called for attention to healthy diet.

4. Cultural Activities. With the objective of guiding the employees to achieve joyful working and healthy living, the Group organised events such as "Joint Weddings in SinoMedia", "SinoMedia Parent-Children Day", "Tours for Outstanding Employees and Their Families", "Joyful Charity Sales", "Employee Birthday Party" and "Charity in Action" regularly every year.


Weddings in SinoMedia, with ten couples got married


Internal charity auction


Joint birthday party being held regularly


Gathering of the second generation of SinoMedia


Outstanding Employees' Family Tour in Korea

PARTICIPATION IN COMMUNITY EVENTS

Caring for the Elderly

During the year, the Group has provided a total of around 150 employees' parents aged 65 and above with year-end pension for two consecutive years. It has always been the Group's notion and belief to ensure employees are living and working contentedly, and that their elderly are being cared for. Therefore, the Group makes its best effort to care for the elderly and the old people who live alone in the community.

Caring Campaigns

The Group established a Caring Committee in 2012, and formulated comprehensive rules of action and management regulations to contribute to the well-being of the society. In 2014, the Group continued to regularly visit the straitened teachers and students at the Yanjing School for Migrant Workers' Children. The Group raised educational subsidy and various school supplies from the employee charity auctions, to purchase textbooks for students and to improve the teaching and learning environment. Through one-to-one caring activities, the employees would be able to feel the actual participation in charity and fulfill individual social responsibility on one hand, while the children could have the mental strength to grow up with all efforts on the other hand. Leveraging on the edges in the industry, the Group, together with its clients, jointly invested in the production of a public service advertisement "To My Love" in 2014. The advertisement has attracted widespread attention in the community and achieved the goal of "Uniting our Strength to Promote Civilisation".

Public welfare team delivered school bags, stationery and learning materials to children.

PROPERTY AND RENOVATION

The 8th floor of The Place – SinoMedia Tower (金橋天階大廈), the headquarter of the Group, has been put into use as office during the year. Tender of the office renovation was strictly in accordance with the purchasing process of the Company and bargaining negotiation process. The Group followed formal procedures in respect of materials purchasing, site construction and the examination of fire safety. Meanwhile, to meet requirements of the Company and the nation, environmental-friendly and high-quality materials have been applied, including paint odour, solid wood flooring, Guobiao electricity materials and related auxiliary materials.

INTELLECTUAL PROPERTY RIGHTS AND REPORT AGAINST CORRUPTION

The Group places emphasis on the protection of intellectual property rights and anti-corruption as always.

For trademarks protection, the Group has renewed its six existing trademarks during the year under review. For copyright protection, there was one addition of software copyright in 2014. Meanwhile, in order to raise the awareness of intellectual property rights protection among employees, the Group's legal department has provided a specific training of "The Composition and Prevention of Information Network Dissemination Infringement" (信息網絡傳播侵權構成要件及預防).

For anti-corruption and anti-bribery management, the Group informs and reminds the clients in partnership with the Group that the Group prohibited any irregularities by way of entering into business contractual terms with those clients. The Group also established regulations on supervision, while the Internal Audit Department of the Group is responsible for dealing with complaints regarding anti-corruption. The Group did not record any legal cases and employee reports regarding anti-corruption during 2014.

Corporate social responsibility remains to be a daunting task. SinoMedia will continue to pursue to be the industry's corporate social responsibility model as its goal, and to emphasise on corporate value and corporate culture, so as to spare no effort in the sustainable development of the Group.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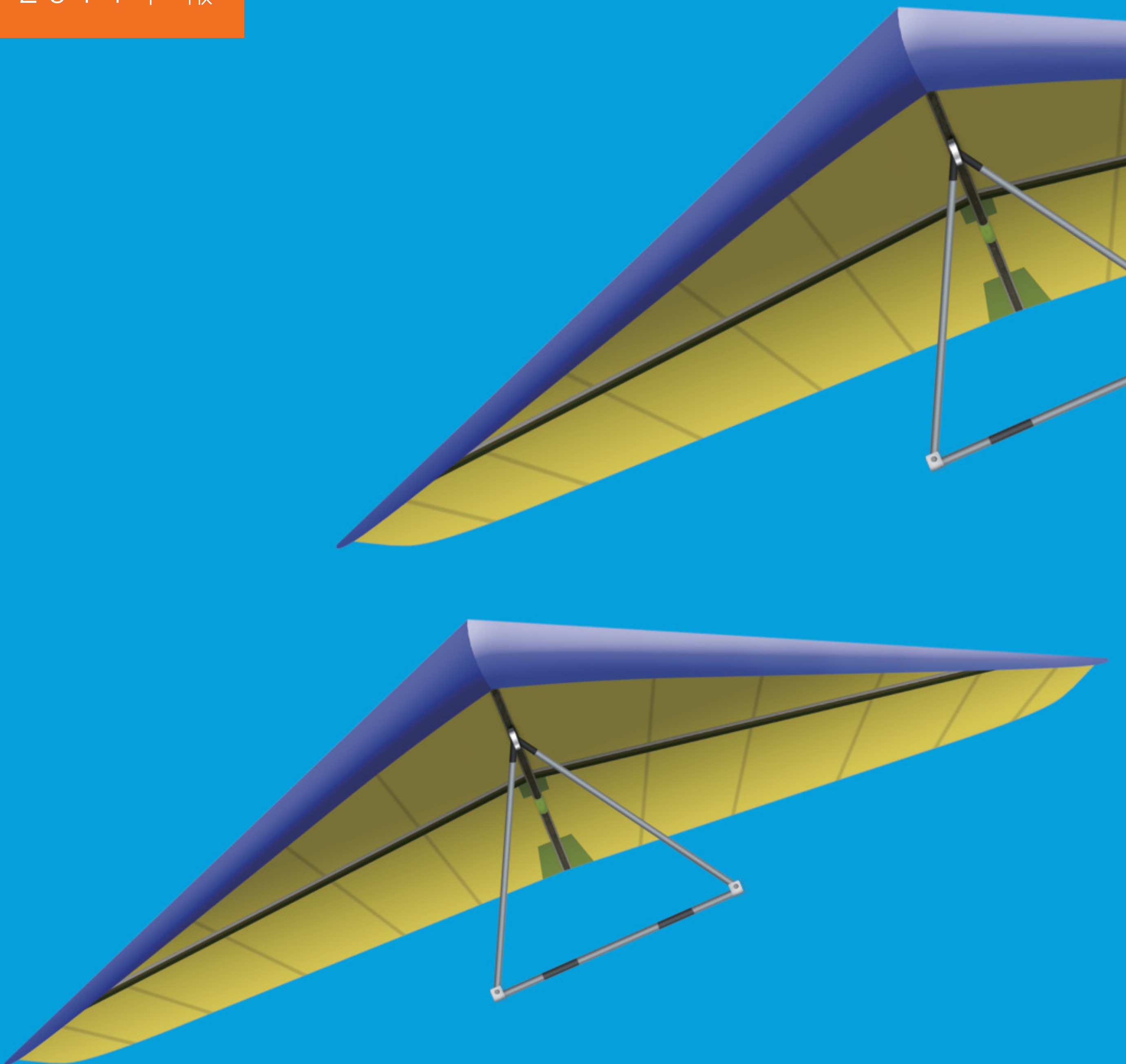

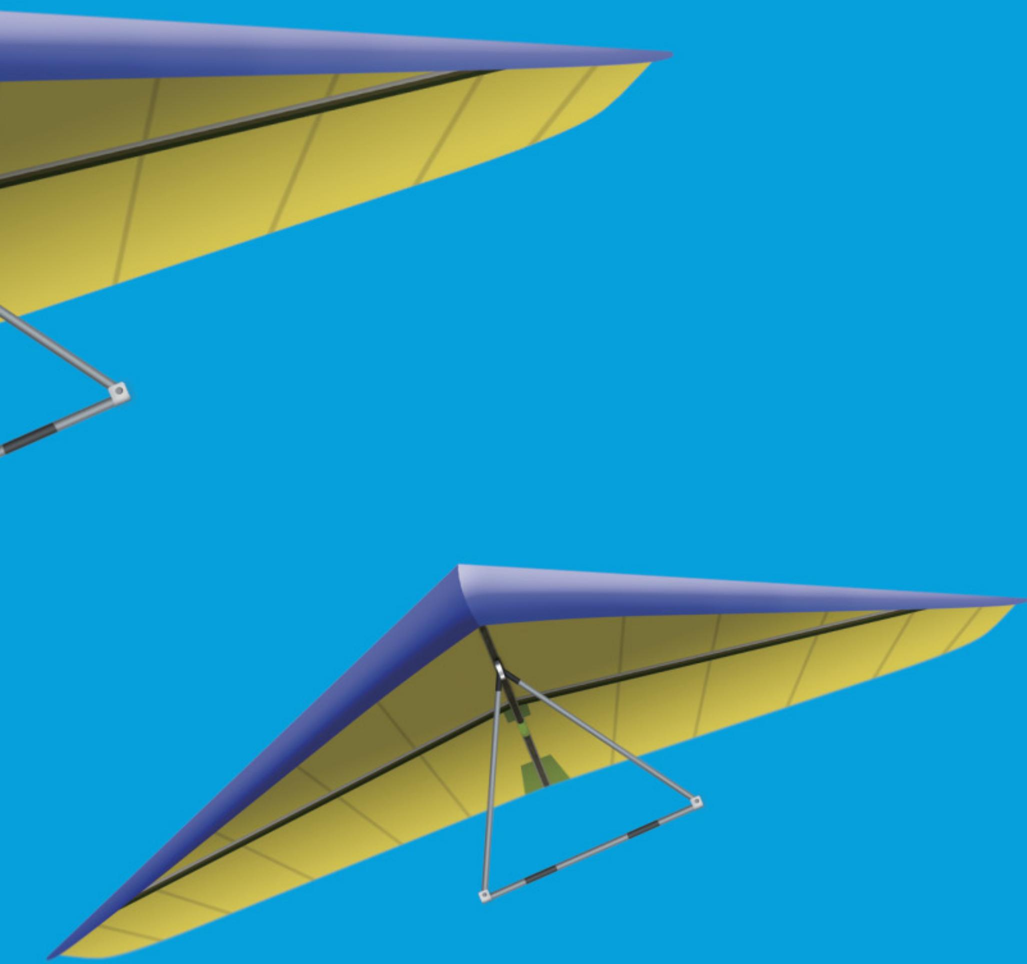

Directors' Report

The Directors of the SinoMedia Holding Limited (the "Company") are pleased to present their annual report together with the audited financial statements for the year ended 31 December 2014.

PRINCIPAL PLACE OF BUSINESS

The Company is a company incorporated and domiciled in Hong Kong and has its registered office at Unit 402, 4th Floor, Fairmont House, No. 8 Cotton Tree Drive, Admiralty, Hong Kong, and principal places of business at Unit 15D, Xintian International Plaza, No. 450 Fushan Road, Pudong New District, Shanghai, PRC and 7/F, The Place – SinoMedia Tower, No.9 Guanghua Road, Chaoyang District, Beijing, PRC.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are providing nationwide TV advertising coverage and campaign planning, and TV advertisement production services for advertisers and advertising agents.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries (the "Group") during the financial year ended 31 December 2014 are set out in note 15 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year ended 31 December 2014 is as follows:

	Percentage of the Group's total purchases
The largest supplier	94%
Five largest suppliers in aggregate	96%

The Group's five largest customers accounted for less than 20% of the Group's revenue.

At no time during the year under review had the Directors, their associates and any shareholder of the Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in these major suppliers and customers.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2014 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 74 to 78.

TRANSFER TO RESERVES

Profits attributable to equity shareholders of the Company, before dividends, of RMB306,571 thousand (2013: RMB369,108 thousand) have been transferred to reserves. Other movements in reserves are set out in the Consolidated Statements of Changes in Equity on page 79.

Dividends totaling RMB147,908 thousand (2013: RMB119,453 thousand) was paid in July 2014. The Directors now recommend the payment of a final dividend of HKD13.50 cents per share (2013: HKD16.48 cents per share) and a special dividend of HKD13.50 cents per share (2013: HKD16.48 cents per share) for the year ended 31 December 2014.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year under review are set out in note 24 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year under review.

DIRECTORS

The Directors during the financial year under review were:

Executive Directors

Chen Xin
Liu Jinlan
Li Zongzhou

Non-executive Director

He Hui David

Independent Non-executive Directors

Ding Junjie (resigned on 27 January 2015)
Qi Daqing
Lian Yuming
Wang Xin

In accordance with Article 105 of the Company's Articles of Association, Chen Xin, Liu Jinlan, and Wang Xin shall retire by rotation at the forthcoming annual general meeting ("AGM") of the shareholders of the Company. Ms. Wang Xin will only hold office until the conclusion of the AGM even if she is not to retire by rotation. All of them, being eligible, will offer themselves for re-election at the AGM.

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensatory obligations.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

To attract and retain talent and caliber, the Group provides competitive remuneration packages to its Executive Directors and senior management. These comprise base monthly salary, variable pay and long-term incentive plan which includes share option scheme. The amount of variable pay is set at a percentage of the fixed pay, and is paid yearly relative to performance delivered through plans and objectives with pre-determined criteria and standards.

The remunerations payable to the Directors are determined with reference to their duties and responsibilities with the Company and the market rate for the positions.

The remuneration package of executives is designed so that a proportion is structured to link rewards to corporate and individual performance, and to give incentives to executives to perform at the highest levels. Through job evaluation and job matching, the Group ensures external competitiveness of the pay through reference to market survey and data.

The Non-executive Directors' remuneration relates to the time commitment and responsibilities. They receive fees which comprise the following components:

- Directors' fees, which are usually paid annually; and
- Share options which are rewarded subject to the discretion of the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration of the Directors and senior management during the year under review are set out in note 7 to the financial statements.

FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of Directors and the five highest paid individuals of the Group during the year under review are set out in note 8 to the financial statements.

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

As at 31 December 2014, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interests in the Company — Long Positions

Name of Director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives *(Note 1)*	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	257,428,169 *(Note 2)*	4,400,000	261,828,169	46.08%
Chen Xin	Founder of discretionary trust and beneficiary of trust	257,428,165 *(Note 3)*	—	257,428,165	45.30%
Li Zongzhou	Beneficial interest	—	2,500,000	2,500,000	0.44%
He Hui David	Beneficial interest	—	600,000	600,000	0.11%
Qi Daqing	Beneficial interest	—	260,000	260,000	0.05%
Ding Junjie (resigned on 27 January 2015)	Beneficial interest	—	200,000	200,000	0.04%
Lian Yuming	Beneficial interest	—	200,000	200,000	0.04%
Wang Xin	Beneficial interest	—	200,000	200,000	0.04%

Notes:

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

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

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

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

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

Apart from the foregoing, as at 31 December 2014, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

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

The total number of securities available for issue under both the Pre-IPO Scheme and the Post-IPO Scheme as at 31 December 2014 was 28,786,500 shares which represented approximately 5% of the issued share capital of the Company as at 31 December 2014.

Movements of the share options under the said share option schemes for the year ended 31 December 2014 are as follows:

Directors	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	No. of options forfeited during the year	No. of options outstanding at the end of the year	Date of grant	Exercise price	Exercise period
Liu Jinlan	3,200,000	–	–	–	3,200,000	10 July 2007	RMB1.56	Note 2
	1,200,000	–	–	–	1,200,000	2 July 2010	HKD1.84	Note 4
Li Zongzhou	1,600,000	–	–	–	1,600,000	10 July 2007	RMB1.56	Note 1
	900,000	–	–	–	900,000	2 July 2010	HKD1.84	Note 4
He Hui David	600,000	–	–	–	600,000	2 July 2010	HKD1.84	Note 4
Qi Daqing	260,000	–	–	–	260,000	17 September 2009	HKD1.49	Note 3
Ding Junjie (resigned on 27 January 2015)	200,000	–	–	–	200,000	17 September 2009	HKD1.49	Note 3
Lian Yuming	200,000	–	–	–	200,000	29 August 2011	HKD2.62	Note 4
Wang Xin	200,000	–	–	–	200,000	11 September 2012	HKD3.22	Note 4
Employees								
in aggregate	8,756,000	–	(1,828,000)	(640,000)	6,288,000	4 July 2007 to 7 March 2008	RMB1.56	Note 1
	200,000	–	–	–	200,000	17 September 2009	HKD1.49	Note 3
	12,348,500	–	(4,538,000)	(105,000)	7,705,500	2 July 2010	HKD1.84	Note 4
	125,000	–	–	–	125,000	22 November 2010	HKD2.82	Note 4
	873,000	–	(160,000)	–	713,000	6 December 2010	HKD2.88	Note 4
	1,970,000	–	(155,000)	(1,420,000)	395,000	29 August 2011	HKD2.62	Note 4
	800,000	–	–	–	800,000	9 January 2012	HKD2.36	Note 4
	1,585,000	–	(165,000)	(600,000)	820,000	11 September 2012	HKD3.22	Note 4
	700,000	–	(80,000)	–	620,000	12 April 2013	HKD4.31	Note 4
	1,840,000	–	–	(160,000)	1,680,000	19 July 2013	HKD6.86	Note 4
	–	1,080,000	–	–	1,080,000	10 September 2014	HKD5.50	Note 4

Notes:

1 A Pre-IPO Options holder may exercise a maximum of 25% of the total number of the Pre-IPO Options granted after the lapse of 365 days from the acceptance of the Pre-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Pre-IPO Options granted, up to ten years from the date of grant. (A resolution of extending the exercise period of the options granted under the Pre-IPO Scheme from 8 years to 10 years has been passed at the annual general meeting of the Company held on 12 June 2014.)

Pre-IPO Options granted to Li Zongzhou are exercisable from 8 January 2009 to 9 July 2017, subject to the vesting requirement mentioned above. Exercisable period of the Pre-IPO Options granted to employees of the Group commenced on 8 January 2009 and to be expired on a date ranging from 3 July 2017 to 6 March 2018 (depending on their respective dates of grant of the option) is also subject to the vesting requirement mentioned above.

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

Pre-IPO Options granted to Liu Jinlan is exercisable from 8 January 2009 to 9 July 2017, subject to the vesting requirement mentioned above.

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

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

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

As at 31 December 2014, so far as known to the Directors and chief executive of the Company, the following corporations (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Equity Trustee Limited	Trustee *(Note 1)*	304,914,821	53.66%
CLH Holding Limited	Corporate interest *(Note 2)*	209,941,513	36.95%

Notes:

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

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

Save as disclosed above, so far as known to the Directors and chief executive of the Company, as at 31 December 2014, there was no other persons or corporations (other than a Director or chief executive of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at 31 December 2014 or at any time during the year under review.

MANAGEMENT CONTRACTS

As at 31 December 2014, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

FIVE YEAR SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 167 of the annual report. The summary does not form part of the financial statements.

PROVIDENT AND RETIREMENT FUND SCHEMES

The Group's employees in the PRC participate in various defined contribution schemes stipulated by the relevant municipal and provincial governments, under which the Group is required to make monthly contributions to these schemes. The Group's subsidiaries in the PRC contribute funds to the retirement benefit schemes, which are calculated based on a stipulated percentage of the average employee salary as agreed by the relevant municipal and provincial government. The Group has no further obligations for the actual payment of post-retirement benefits beyond the said contributions.

Details of the Group's contributions to the retirement benefit schemes are shown in note 5(b) to the financial statements.

AUDITORS

The Company's auditors, KPMG, shall retire and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as the Company's auditors will be proposed at the forthcoming AGM.

By order of the Board
Chen Xin
Chairman

Independent Auditor's Report

Independent auditor's report to the shareholders of SinoMedia Holding Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of SinoMedia Holding Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 74 to 166, which comprise the consolidated and company statements of financial position as at 31 December 2014, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 International Financial Reporting Standards issued by the International Accounting Standards Board and 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. This report is made solely to you, as a body, in accordance with section 80 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), 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 the 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.

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 profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

19 March 2015

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014
(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
Revenue	3	**1,634,652**	1,767,036
Cost of services		**(1,155,855)**	(1,122,346)
Gross profit		**478,797**	644,690
Other revenue	4	**53,321**	46,925
Other net income	4	**60,118**	—
Selling and marketing expenses		**(54,654)**	(65,799)
General and administrative expenses		**(113,456)**	(119,685)
Profit from operations		**424,126**	506,131
Finance income	5(a)	**18,790**	21,823
Finance costs	5(a)	**(11,499)**	(914)
Net finance income		**7,291**	20,909
Share of (loss)/profit of associates		**(840)**	3,455
Profit before taxation		**430,577**	530,495
Income tax	6	**(124,691)**	(158,808)
Profit for the year		**305,886**	371,687
Attributable to:			
Equity shareholders of the Company		**306,571**	369,108
Non-controlling interests		**(685)**	2,579
Profit for the year		**305,886**	371,687
Earnings per share	11		
Basic earnings per share (RMB)		**0.542**	0.661
Diluted earnings per share (RMB)		**0.528**	0.636

The notes on pages 81 to 166 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 24(b).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014
(Expressed in Renminbi)

	2014 *RMB'000*	2013 *RMB'000*
Profit for the year	**305,886**	371,687
Other comprehensive income for the year (after tax and reclassification adjustments)	**3,301**	(1,156)
Exchange differences on translation of financial statements of the Company and overseas subsidiaries	**3,301**	(1,156)
Total comprehensive income for the year	**309,187**	370,531
Attributable to:		
Equity shareholders of the Company	**309,872**	367,952
Non-controlling interests	**(685)**	2,579
Total comprehensive income for the year	**309,187**	370,531

The notes on pages 81 to 166 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2014
(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment	12	**272,555**	219,393
Investment property	12	**629,949**	704,159
Intangible assets	13	**39,955**	38,336
Goodwill	14	**18,015**	23,644
Interest in associates	16	**6,850**	44,153
Other non-current financial assets	17(b)	**—**	23,417
Trade and other receivables	18	**2,550**	1,800
Deferred tax assets	23(b)	**6,186**	11,703
		976,060	1,066,605
Current assets			
Other current financial asset	17(a)	**4,157**	—
Trade and other receivables	18	**427,567**	378,601
Pledged bank deposits	19	**152,183**	—
Time deposits with original maturity over three months	19	**30,692**	—
Cash and cash equivalents	19	**801,773**	1,070,106
		1,416,372	1,448,707
Current liabilities			
Trade and other payables	20	**517,855**	910,883
Bank loans	21	**145,152**	5,000
Current taxation	23(a)	**49,571**	83,563
Other current financial liability	17(c)	**534**	10,500
		713,112	1,009,946
Net current assets		**703,260**	438,761
Total assets less current liabilities		**1,679,320**	1,505,366
NET ASSETS		**1,679,320**	1,505,366

The notes on pages 81 to 166 form part of these financial statements.

	Note	2014 *RMB'000*	2013 *RMB'000*
CAPITAL AND RESERVES			
Share capital	24(c)	**500,734**	172
Reserves		**1,168,674**	1,477,978
Total equity attributable to equity shareholders of the Company		**1,669,408**	1,478,150
Non-controlling interests		**9,912**	27,216
TOTAL EQUITY		**1,679,320**	1,505,366

Approved and authorised for issue by the Board of Directors on 19 March 2015.

Chen Xin
Chairman

He Hui David
Director

The notes on pages 81 to 166 form part of these financial statements.

Statement of Financial Position

At 31 December 2014
(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
Non-current assets			
Investments in subsidiaries	15	**234,749**	232,046
Interest in associates	16	**—**	33,794
Other non-current financial assets	17(b)	**—**	3,417
		234,749	269,257
Current assets			
Trade and other receivables	18	**436,637**	327,592
Pledged bank deposits	19	**1,785**	—
Cash and cash equivalents	19	**86,244**	23,140
		524,666	350,732
Current liability			
Trade and other payables		**1,999**	2,334
Bank loans	21	**145,152**	—
		147,151	2,334
Net current assets		**377,515**	348,398
Total assets less current liability		**612,264**	617,655
NET ASSETS		**612,264**	617,655
CAPITAL AND RESERVES			
Share capital	24(c)	**500,734**	172
Reserves	24(a)	**111,530**	617,483
TOTAL EQUITY		**612,264**	617,655

Approved and authorised for issue by the Board of Directors on 19 March 2015.

Chen Xin
Chairman

He Hui David
Director

The notes on pages 81 to 166 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000 (note 24(c))	Share premium RMB'000 (note 24(d))	Capital redemption reserve RMB'000 (note 24(d))	Capital reserve RMB'000 (note 24(d))	Statutory reserve RMB'000 (note 24(d))	Translation reserve RMB'000 (note 24(d))	Other reserves RMB'000 (note 24(d))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2013	171	472,973	22	34,972	60,788	(3,430)	(9,338)	668,555	1,224,713	8,987	1,233,700
Changes in equity for 2013:											
Profit for the year	–	–	–	–	–	–	–	369,108	369,108	2,579	371,687
Other comprehensive income	–	–	–	–	–	(1,156)	–	–	(1,156)	–	(1,156)
Total comprehensive income	–	–	–	–	–	(1,156)	–	369,108	367,952	2,579	370,531
Appropriation to reserves	–	–	–	–	21,844	–	–	(21,844)	–	–	–
Purchase of subsidiaries	–	–	–	–	–	–	–	–	–	16,235	16,235
Shares issued under share option scheme	1	12,240	–	(10,042)	–	–	–	–	2,199	–	2,199
Equity-settled share-based transactions (note 22)	–	–	–	2,739	–	–	–	–	2,739	–	2,739
Dividends declared in respect of the current year (note 24(b))	–	–	–	–	–	–	–	(119,453)	(119,453)	(585)	(120,038)
Balance at 31 December 2013 and 1 January 2014	**172**	**485,213**	**22**	**27,669**	**82,632**	**(4,586)**	**(9,338)**	**896,366**	**1,478,150**	**27,216**	**1,505,366**
Changes in equity for 2014:											
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**306,571**	**306,571**	**(685)**	**305,886**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**3,301**	**–**	**–**	**3,301**	**–**	**3,301**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**3,301**	**–**	**306,571**	**309,872**	**(685)**	**309,187**
Appropriation to reserves	**–**	**–**	**–**	**–**	**7,842**	**–**	**–**	**(7,842)**	**–**	**–**	**–**
Contribution from non-controlling interests	**–**	**–**	**–**	**167**	**–**	**–**	**–**	**–**	**167**	**68**	**235**
Acquisiton of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**11,646**	**4,681**	**16,327**	**(16,327)**	**–**
Shares issued under share option scheme	**2**	**15,325**	**–**	**(4,640)**	**–**	**–**	**–**	**–**	**10,687**	**–**	**10,687**
Equity-settled share-based transactions (note 22)	**–**	**–**	**–**	**2,113**	**–**	**–**	**–**	**–**	**2,113**	**–**	**2,113**
Transition to no-par value regime	**500,560**	**(500,538)**	**(22)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dividends declared in respect of the current year (note 24(b))	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(147,908)**	**(147,908)**	**(360)**	**(148,268)**
Balance at 31 December 2014	**500,734**	**–**	**–**	**25,309**	**90,474**	**(1,285)**	**2,308**	**1,051,868**	**1,669,408**	**9,912**	**1,679,320**

The notes on pages 81 to 166 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2014
(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
Operating activities			
Cash generated from/(used in) operations	19(b)	**34,476**	(95,416)
PRC income tax paid	23(a)	**(153,166)**	(167,012)
Net cash used in operating activities		**(118,690)**	(262,428)
Investing activities			
Payment for purchase of property, plant and equipment		**(87,306)**	(7,636)
Payment for purchase of intangible assets		**(5,610)**	(88)
Proceeds from sales of property, plant and equipment		**—**	2,427
Payment for acquisition of subsidiaries, net of cash acquired		**—**	(3,797)
Proceeds from disposal of investee		**116,749**	—
Payment of restricted cash	19	**(152,183)**	—
Placement of term deposits with initial term over three months	19	**(30,692)**	—
Interest received		**14,633**	19,701
Net cash (used in)/generated from investing activities		**(144,409)**	10,607
Financing activities			
Proceeds from new bank loans		**146,452**	—
Repayment of bank loans		**(6,300)**	(3,000)
Proceeds from shares issued under share option scheme		**10,687**	2,199
Other borrowing costs paid		**(255)**	(111)
Payment for purchase of non-controlling interests		**(10,784)**	—
Dividends paid to non-controlling interests		**(488)**	(501)
Dividends paid to equity shareholders of the Company		**(147,908)**	(119,453)
Net cash used in financing activities		**(8,596)**	(120,866)
Net decrease in cash and cash equivalents		**(271,695)**	(372,687)
Cash and cash equivalents at 1 January		**1,070,106**	1,442,752
Effect of foreign exchange rate changes		**3,362**	41
Cash and cash equivalents at 31 December	19	**801,773**	1,070,106

The notes on pages 81 to 166 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards, which collective term includes all applicable individual International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Interpretations issued by the International Accounting Standards Board (IASB). These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. *These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.* A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRS that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The financial statements are presented in Renminbi ("RMB") (the "presentation currency"), rounded to the nearest thousand.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- derivative financial instruments (see note 1(h)).

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

Judgements made by management in the application of IFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

The IASB has issued the following amendments to IFRS and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment entities*
- Amendments to IAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to IAS 39, *Novation of derivatives and continuation of hedge accounting*
- IFRIC 21, *Levies*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)) or, when appropriate, the cost on initial recognition of an investment in an associate (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(m)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and (m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)).

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses (see note 1(m)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below.

Investments in securities which do not fall into the investments in securities held for trading or held-to-maturity securities are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognized in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognized in the statement of financial position at cost less impairment losses (see note 1(m)).

When the investments are derecognised or impaired (see note 1(m), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(i) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investment property (continued)

(i) Recognition and measurement

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the properties.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an investment property less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment property.

The estimated useful live for the current year is as follows:

— Buildings	30–45 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(m)):

— buildings held for own use; and

— other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Other property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

—	Buildings	30–45 years
—	Fixtures, fittings, and computer equipment	3–5 years
—	Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(m)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(m)). Expenditure on internally generated brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

—	Software	3 years
—	Capitalised development costs	10 years
—	Copyrights, trademarks, domain names and others	10 years

Both the period and method of amortisation are reviewed annually.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

— property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

— land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(j). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(m). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(i)) or is held for development for sale.

(m) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates accounted for under the equity method in the consolidated financial statements (see note 1(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(m)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(m)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— investment property;

— intangible assets;

— goodwill; and

— investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(m)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(m)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(ii) Share-based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iv) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Media resources management

Revenue from media resources management is primarily derived from the placement of advertisements. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to reports issued by an independent third party with relevant qualification and experience on a monthly basis, which evidence the advertisement actually broadcast.

(ii) Integrated brand communication services

Revenue from integrated brand communication services is primarily derived from commissions received for assisting advertising clients in obtaining advertising time on media platforms, primarily television stations. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group in proportion to the stage of completion of the transaction on a monthly basis. The stage of completion is assessed by reference to service performed to date as a percentage of total services to be performed.

(iii) Internet media and content operations

Revenue from internet media and content operations are primarily derived from internet websites operations, and designing and developing advertisement production. The revenue from internet media operations is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The revenue from content operations is recognised when advertisement production is delivered to the customer which is taken to be the point in time when the customer has accepted the advertisement production and the related risks and rewards of ownership.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (continued)

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grants that become receivable as compensation for expenses already incurred are recognised in profit or loss as other income of the period in which they become receivable.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting (continued)

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

For the year ended 31 December 2014 and 2013, there are no revenues generated from outside Mainland China. As at 31 December 2014 and 2013, the balances of non-current assets, which are based on the physical location of the assets located outside Mainland China, are amounting to RMB18 thousand and RMB47 thousand respectively.

2. ACCOUNTING JUDGEMENT AND ESTIMATES

Key sources of estimation uncertainty are as follows:

The Group's financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. The Group bases the assumptions and estimates on historical experience and on various other assumptions that the Group believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an ongoing basis, the Group evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

— Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 1(m). The recoverable amounts of cash-generating units have been determined based on the higher of the cash-generating units' fair value less costs to sell and its value in use. These calculations require the use of estimates which are disclosed in note 14.

— Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. Both the period and method of depreciation are reviewed annually. The depreciation expense for future periods are adjusted if there are significant changes from previous estimates.

3. REVENUE

	2014 RMB'000	2013 RMB'000
Media resources management	**1,510,881**	1,670,774
Integrated brand communication services	**34,037**	49,820
Internet media and content operations	**54,961**	49,088
Rental income	**58,837**	34,509
Less: Sales taxes and surcharges	**(24,064)**	(37,155)
	1,634,652	1,767,036

4. OTHER REVENUE AND OTHER NET INCOME

Other revenue	*Note*	2014 RMB'000	2013 RMB'000
Government grant	*(i)*	**52,236**	46,800
Others		**1,085**	125
		53,321	46,925

(i) It is the unconditional discretionary grants received from the local government authorities in recognition of the Group's contribution to the development of the local economy.

Other net income	2014 RMB'000	2013 RMB'000
Disposal of available-for-sale securities	**60,118**	—

5. PROFIT BEFORE TAXATION

(a) Finance income and costs

	Note	2014 RMB'000	2013 RMB'000
Interest income on bank deposits		**14,633**	19,701
Changes in fair value of derivative financial instruments	17	**4,157**	2,122
Finance income		**18,790**	21,823
Interest on bank borrowings wholly repayable within five years		**(255)**	(111)
Changes in fair value of derivative financial instruments	17	**(4,241)**	(240)
Net foreign exchange loss		**(5,183)**	(522)
Others		**(1,820)**	(41)
Finance costs		**(11,499)**	(914)
Net finance income		**7,291**	20,909

(b) Staff cost

	Note	2014 RMB'000	2013 RMB'000
Salaries, wages and other benefits		**79,334**	77,364
Contribution to defined contribution plan	(i)	**18,817**	16,735
Equity-settled share-based payment expenses	22	**2,113**	2,739
		100,264	96,838

(i) Defined contribution plan

As stipulated by the regulations of the PRC, the Group participates in a defined contribution retirement plan organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at rates ranging from 14% to 21% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

5. PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

The following expenses are included in cost of services, selling and marketing expenses and general and administrative expenses.

	Note	2014 RMB'000	2013 RMB'000
Amortisation			
— intangible assets	13	**3,991**	1,039
Depreciation	12	**28,927**	24,187
Impairment losses			
— trade debtors and bills receivable	18(b)	**(2,395)**	6,743
— other debtors		**3,980**	1,502
— goodwill	14	**5,629**	—
		7,214	8,245
Operating lease charges: minimum lease payments			
— hire of machinery		**224**	373
— hire of properties		**8,958**	10,319
		9,182	10,692
Auditors' remuneration			
— audit services		**3,200**	3,200
Professional fee		**2,955**	3,936
Research and development costs (other than amortisation costs)		**2,169**	1,664

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2014 *RMB'000*	2013 *RMB'000*
Current tax		
Provision for PRC income tax	**119,174**	158,909
Deferred tax		
Origination and reversal of temporary differences	**5,517**	(101)
Total income tax expense	**124,691**	158,808

(i) No provision has been made for Hong Kong profits tax as the Company and its subsidiary in Hong Kong did not earn any income subject to Hong Kong profits tax during the year.

(ii) No provision has been made for Singapore income tax as the Company and its subsidiary in Singapore did not earn any income subject to Singapore income tax during the year.

(iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") is at a preferential rate of 15% as an advanced technology-based service enterprise. Except for the Company and its subsidiaries in Hong Kong and Singapore and Lotour Huicheng, applicable income tax rate of other Group entities in the PRC is the statutory tax rate of 25%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2014 *RMB'000*	2013 *RMB'000*
Profit before taxation	**430,577**	530,495
Notional tax on profit before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions	**106,618**	133,168
Tax effect of non-deductible expenses	**6,071**	8,123
Withholding tax withhold by PRC subsidiaries	**11,964**	19,442
Tax losses not recognised as deferred tax assets	**7,565**	1,381
Offset unused tax losses	**(1,437)**	(303)
Tax effect of non-taxable income	**(6,090)**	(3,003)
Actual tax expense	**124,691**	158,808

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

For the year ended 31 December 2014

	Note	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to defined contribution plan RMB'000	Equity settled share-based payment RMB'000	Total RMB'000
Executive Directors							
Chen Xin		–	1,182	234	87	–	1,503
Liu Jinlan		–	1,164	420	140	20	1,744
Li Zongzhou		–	1,008	303	–	15	1,326
Non-executive Director							
He Hui David		–	–	–	–	10	10
Independent Non-executive Directors							
Ding Junjie	(i)	142	–	–	–	–	142
Qi Daqing		158	–	–	–	–	158
Lian Yuming		142	–	–	–	19	161
Wang Xin		142	–	–	–	29	171
		584	3,354	957	227	93	5,215

(i) Mr. Ding Junjie, an Independent Non-executive Director, was resigned on 27 January 2015.

7. DIRECTORS' REMUNERATION (CONTINUED)

For the year ended 31 December 2013

	Directors' fees *RMB'000*	Salaries, allowances and other benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Contribution to defined contribution plan *RMB'000*	Equity settled share-based payment *RMB'000*	Total *RMB'000*
Executive Directors						
Chen Xin	–	1,182	946	79	–	2,207
Liu Jinlan	–	1,094	946	87	67	2,194
Li Zongzhou	–	888	298	–	50	1,236
Non-executive Director						
He Hui David	–	–	–	–	34	34
Independent Non-executive Directors						
Ding Junjie	144	–	–	–	–	144
Qi Daqing	160	–	–	–	–	160
Lian Yuming	144	–	–	–	37	181
Wang Xin	144	–	–	–	67	211
	592	3,164	2,190	166	255	6,367

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments during the year ended 31 December 2014, three (2013: two) are Directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2013: three) are as follows:

	2014 ***RMB'000***	2013 *RMB'000*
Salaries, allowances and other benefits in kind	**2,348**	4,332
Contribution to defined contribution plan	**101**	171
Equity-settled share-based transactions	**80**	162
	2,529	4,665

The emoluments of the two (2013: three) individuals with the highest emoluments are within the following bands:

	2014	2013
Nil to RMB1,000,000	**—**	—
RMB1,000,001 to RMB1,500,000	**2**	—
RMB1,500,001 to RMB2,000,000	**—**	3

9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2014 includes a profit of RMB15,974 thousand (2013: RMB4,642 thousand) and dividends of RMB107,676 thousand (2013: dividends of RMB161,514 thousand) from subsidiaries attributable to the profit of current financial year, which have been dealt with in the financial statements of the Company.

9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (CONTINUED)

Reconciliation of the above amount to the Company's profit for the year:

	2014 RMB'000	2013 RMB'000
Amount of profit attributable to equity shareholders dealt with in the Company's financial statements	**15,974**	4,642
Dividends from subsidiaries attributable to the profits of current financial years, approved during the year	**107,676**	161,514
Company's profit for the year (note 24(a))	**123,650**	166,156

Details of dividends paid and payable to equity shareholders of the Company are set out in note 24(b)(i).

10. OTHER COMPREHENSIVE INCOME

There are no tax effects relating to the exchange differences on translation of financial statements of the Company and its subsidiaries in Hong Kong and Singapore during the year (2013: nil).

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB306,571 thousand (2013: RMB369,108 thousand) and the weighted average of 565,116 thousand ordinary shares (2013: 558,351 thousand shares) in issue during the year, calculated as follows:

Profit attributable to ordinary equity shareholders	2014 RMB'000	2013 RMB'000
Profit for the year	**306,571**	369,108
Profit attributable to ordinary equity shareholders	**306,571**	369,108

11. EARNINGS PER SHARE (CONTINUED)

(a) Basic earnings per share (continued)

Weighted average number of ordinary shares	Note	2014 '000	2013 '000
Issued ordinary shares at 1 January		**561,289**	555,686
Effect of issues of ordinary shares upon exercise of share options	*24(c)(i)*	**3,827**	2,665
Weighted average number of ordinary shares at 31 December		**565,116**	558,351

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB306,571 thousand (2013: RMB369,108 thousand) and the weighted average number of ordinary shares of 581,130 thousand shares (2013: 580,085 thousand shares after adjusting for the effect of share options in issue), calculated as follows:

Profit attributable to ordinary equity shareholders (diluted)	2014 RMB'000	2013 RMB'000
Profit attributable to ordinary equity shareholders (basic and diluted)	**306,571**	369,108

Weighted average number of ordinary shares (diluted)	2014 '000	2013 '000
Weighted average number of ordinary shares (basic)	**565,116**	558,351
Effect of share options in issue	**16,014**	21,734
Weighted average number of ordinary shares (diluted) at 31 December	**581,130**	580,085

12. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(a) Group

	Buildings *RMB'000*	Fixtures, fittings and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Sub-total *RMB'000*	Investment property *RMB'000*	Total *RMB'000*
Original cost						
Balance at 1 January 2013	50,162	6,853	16,166	73,181	3,988	77,169
Additions						
Purchase	206,823	3,387	486	210,696	675,981	886,677
Acquisition of subsidiaries	3,626	10,259	773	14,658	—	14,658
Reclassification	—	—	—	—	49,279	49,279
Decreases						
Disposals	—	(3,648)	(1,638)	(5,286)	—	(5,286)
Reclassification	(49,279)	—	—	(49,279)	—	(49,279)
Balance at 31 December 2013	211,332	16,851	15,787	243,970	`729,248	973,218
Balance at 1 January 2014	**211,332**	**16,851**	**15,787**	**243,970**	**729,248**	**973,218**
Additions						
Purchase	**3,628**	**3,116**	**—**	**6,744**	**1,239**	**7,983**
Reclassification	**77,116**	**—**	**—**	**77,116**	**15,887**	**93,003**
Decreases						
Disposals	**—**	**(650)**	**(505)**	**(1,155)**	**—**	**(1,155)**
Reclassification	**(15,887)**	**—**	**—**	**(15,887)**	**(77,116)**	**(93,003)**
Balance at 31 December 2014	**276,189**	**19,317**	**15,282**	**310,788**	**669,258**	**980,046**
Depreciation						
Balance at 1 January 2013	9,028	3,337	7,563	19,928	222	20,150
Depreciation						
Charge for the year	6,253	2,107	2,321	10,681	13,506	24,187
Acquisition of subsidiaries	1,545	6,183	303	8,031	—	8,031
Reclassification	—	—	—	—	11,361	11,361
Decreases						
Disposals	—	(1,146)	(1,556)	(2,702)	—	(2,702)
Reclassification	(11,361)	—	—	(11,361)	—	(11,361)
Balance at 31 December 2013	5,465	10,481	8,631	24,577	25,089	49,666
Balance at 1 January 2014	**5,465**	**10,481**	**8,631**	**24,577**	**25,089**	**49,666**
Depreciation						
Charge for the year	**8,123**	**2,788**	**2,259**	**13,170**	**15,757**	**28,927**
Reclassification	**1,917**	**—**	**—**	**1,917**	**380**	**2,297**
Decreases						
Disposals	**—**	**(618)**	**(433)**	**(1,051)**	**—**	**(1,051)**
Reclassification	**(380)**	**—**	**—**	**(380)**	**(1,917)**	**(2,297)**
Balance at 31 December 2014	**15,125**	**12,651**	**10,457**	**38,233**	**39,309**	**77,542**
Carrying amounts						
At 31 December 2014	**261,064**	**6,666**	**4,825**	**272,555**	**629,949**	**902,504**
At 31 December 2013	205,867	6,370	7,156	219,393	704,159	923,552

12. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

(b) Fair value measurement of investment properties

According to the Property Valuation Reports issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Beijing Huaxin Real Estate Appraisal Co., Ltd., firms of independent qualified valuer in Hong Kong and Beijing, the fair value as at 31 December 2014 of the Group's investment properties are RMB1,057,020 thousand (2013: RMB1,106,912 thousand).

(c) Fixed assets held under finance leases

At the end of the reporting period, the net book value of buildings held under finance leases of the Group was RMB17,068 thousand (2013: RMB24,150 thousand).

(d) Investment properties leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 6 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease receivables under non-cancellable operating leases are as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**59,376**	45,959
After 1 year but within 5 years	**54,309**	68,608
	113,685	114,567

13. INTANGIBLE ASSETS

	Development costs *RMB'000*	Patents and trademarks *RMB'000*	Total *RMB'000*
Cost			
At 1 January 2013	—	—	—
Additions through internal development	88	—	88
Additions from acquisition of subsidiaries	5,490	35,223	40,713
At 31 December 2013	5,578	35,223	40,801
At 1 January 2014	**5,578**	**35,223**	**40,801**
Additions through internal development	**5,605**	**5**	**5,610**
At 31 December 2014	**11,183**	**35,228**	**46,411**
Accumulated amortisation			
At 1 January 2013	—	—	—
Additions from acquisition of subsidiaries	912	514	1,426
Charge for the year	124	915	1,039
At 31 December 2013	1,036	1,429	2,465
At 1 January 2014	**1,036**	**1,429**	**2,465**
Charge for the year	**494**	**3,497**	**3,991**
At 31 December 2014	**1,530**	**4,926**	**6,456**
Net book value			
At 31 December 2014	**9,653**	**30,302**	**39,955**
At 31 December 2013	4,542	33,794	38,336

The Amortisation charge for the year is included in "Cost of services" and "General and administrative expenses" in the consolidated statement of profit or loss.

14. GOODWILL

	The Group *RMB'000*
Cost	
At 1 January 2013, 31 December 2013 and 31 December 2014	23,644
Accumulated impairment losses	
At 1 January 2013, 31 December 2013 and 31 December 2014	—
Impairment loss	5,629
At 31 December 2014	**5,629**
Carrying amount	
At 31 December 2014	**18,015**
At 31 December 2013	23,644

Impairment tests for cash-generating units containing goodwill

Goodwill arises on the acquisition of the subsidiaries including Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") and Hangzhou Sanji Media Company Limited ("Hangzhou Sanji") are as follows:

	2014 *RMB'000*	2013 *RMB'000*
Lotour Huicheng	**7,453**	7,453
Hangzhou Sanji	**10,562**	16,191
	18,015	23,644

14. GOODWILL (CONTINUED)

Hangzhou Sanji

The recoverable amount of Hangzhou Sanji is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period, and with a discount rate of 19.36%. The major assumption is the growth rate in revenue. The growth rates are based on the past performance of the subsidiary, its expectation for market development and its development target. The discount rates used are pre-tax and reflect specific risks relating to Hangzhou Sanji.

The impairment loss recognised during the year solely relates to Hangzhou Sanji's advertising activities based in Hangzhou, China. As Hangzhou Sanji has been reduced to its recoverable amount of RMB44 million, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

15. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RMB'000	*RMB'000*
Investment, at cost	**234,749**	232,046

(Expressed in Renminbi unless otherwise indicated)

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

			Proportion of ownership interest			
Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Sino-foreign invested enterprise established in the PRC						
CTV Golden Bridge International Media Group Company Limited 中視金橋國際傳媒集團有限公司	Shanghai, the PRC 23 June 2005	USD30,000,000	99.7%	99.7%	–	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents
Foreign venture enterprise established in Hong Kong						
CTV Golden Bridge International Media (Hong Kong) Company Limited 中視金橋國際傳媒（香港）有限公司	Hong Kong 31 May 2011	HKD10,000,000	100%	100%	–	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents
Foreign venture enterprise established in Singapore						
Sinomedia Global Pte. Ltd.	Singapore 7 August 2013	SGD2,000,000	100%	100%	–	Production and distribution of advertisement or any media related items

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Domestic companies established in the PRC						
CTV Golden Bridge International Media Jiangsu Company Limited 中視金橋國際傳媒江蘇有限公司	Jiangsu, the PRC 30 January 2007	RMB2,000,000	99.7%	–	100%	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents
CTV Golden Bridge International Media Lianshui Company Limited 中視金橋國際傳媒漣水有限公司	Lianshui, the PRC 25 June 2014	RMB1,000,000	99.7%	–	100%	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents
Beijing Taihe Ruishi Culture and Media Company Limited 北京太合瑞視文化傳媒有限公司	Beijing, the PRC 4 November 2008	RMB3,000,000	99.7%	–	100%	Investment holding
Beijing Golden Bridge Senmeng Media Advertising Company Limited 北京金橋森盟傳媒廣告有限公司	Beijing, the PRC 6 November 2008	RMB28,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents

(Expressed in Renminbi unless otherwise indicated)

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Beijing Golden Bridge Yunhan Advertising Company Limited 北京金橋雲漢廣告有限公司	Beijing, the PRC 19 October 2009	RMB10,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents
Beijing Laite Laide Management Consultancy Company Limited 北京萊特萊德管理諮詢有限公司	Beijing, the PRC 19 October 2009	RMB5,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents
CTV Golden Bridge Advertising Company Limited 中視金橋廣告有限公司	Shanghai, the PRC 19 January 2010	RMB50,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents
Beijing Bozhiruicheng Information Consultancy Company Limited 北京博智瑞誠信息諮詢有限公司	Beijing, the PRC 23 November 2010	RMB25,000,000	99.7%	–	100%	Investment holding
Beijing Taihe Ruishi Advertising Company Limited 北京太合瑞視廣告有限公司	Beijing, the PRC 8 July 2011	RMB1,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
CTV Golden Bridge Culture Development (Beijing) Company Limited 中視金橋文化發展（北京）有限公司	Beijing, the PRC 24 November 2011	RMB30,000,000	99.7%	–	100%	Advertisement design production, agency and publishing services, sales of computer software and ancillary equipment
Beijing Lotour Huicheng Internet Technology Company Limited 北京樂途匯誠網絡技術有限責任公司	Beijing, the PRC 21 December 2010	RMB30,841,400	70.8%	–	71%	Provision of nationwide advertising coverage, campaign planning, advertisement production, conference service and exhibition design service for advertisers and advertising agents
Hangzhou Sanji Media Company Limited 杭州三基傳媒有限公司	Hangzhou, the PRC 22 June 2006	RMB50,930,000	75%	–	75.26%	Provision of information service, media production and distribution, advertisement production, conference service and exhibition design service for advertisers and advertising agents
Hangzhou Dalei Internet Technology Company Limited 杭州大雷網絡科技有限公司	Hangzhou, the PRC 9 May 2012	RMB10,000,000	75%	–	75.26%	Provision of information service, performance and brokerage business management, technology advisory conference service and exhibition design service for advertisers and advertising agents

(Expressed in Renminbi unless otherwise indicated)

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
CTV Golden Bridge International Media (Tianjin) Company Limited 中視金橋國際傳媒（天津）有限公司	Beijing, the PRC 21 August 2013	RMB20,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning, advertisement production services for advertisers and advertising agents and rental owned buildings
Golden Bridge Senmeng Advertising (Tianjin) Company Limited 金橋森盟廣告（天津）有限公司	Beijing, the PRC 27 August 2013	RMB10,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents
Golden Bridge Yunhan Advertising (Tianjin) Company Limited 金橋雲漢廣告（天津）有限公司	Beijing, the PRC 27 August 2013	RMB10,000,000	99.7%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents

16. INTEREST IN ASSOCIATES

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Unlisted shares, at cost	**—**	—	**—**	33,794
Share of net assets	**1,995**	39,298	**—**	—
Goodwill	**4,855**	4,855	**—**	—
	6,850	44,153	**—**	33,794
Less: impairment loss	**—**	—	**—**	—
	6,850	44,153	**—**	33,794

The following list contains particulars of associates which principally affected the results or assets of the Group:

			Proportion of ownership interest			
Name of company	**Place of Incorporation**	**Paid up capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activities**
Guoguang Shengshi Culture and Media (Beijing) Company Limited 國廣盛世文化傳媒(北京)有限公司	Beijing, the PRC 27 June 2011	RMB10,000,000	48.9%	–	49%	Provision of nationwide advertising project and coverage, campaign planning, exhibition design service, technical services and consultation, investment management and consulting, property management and marketing planning

16. INTEREST IN ASSOCIATES (CONTINUED)

Summary financial information on associates is as follows:

	Assets *RMB'000*	Liabilities *RMB'000*	Equity *RMB'000*	Revenue *RMB'000*	Profit *RMB'000*
2014					
100 per cent	**4,435**	**(354)**	**(4,081)**	**2,150**	**1,715**
Group's effective interest	**2,168**	**(173)**	**(1,995)**	**1,051**	**839**
2013					
100 per cent	300,481	(172,393)	(128,088)	245,370	27,369
Group's effective interest	87,151	(47,853)	(39,298)	35,547	2,866

(a) FoneNet Inc.

The Company invested in FoneNet Inc. by USD6 million in 2011 and took 14.3% interest in FoneNet Inc. at 31 December 2013. Although the Group owns less than 20% of the voting power of FoneNet Inc., it has significant influence over the financial and operating policies through appointing one of the seven directors on the board.

On 30 September 2014, the Company disposed of all the preferred shares of FoneNet Inc. with a net profit of RMB27,618 thousand, which is recorded in other net income.

(b) Guoguang Shengshi Cultural and Media (Beijing) Company Limited ("Guoguang Shengshi")

CTV Golden Bridge Culture Development (Beijing) Company Limited ("Golden Bridge Culture"), a subsidiary controlled by the Group through contractual arrangements, owns 49% of the voting power of Guoguang Shengshi and has significant influence over the financial and operating policies of Guoguang Shengshi. Global Broadcasting Media Group hold 51% equity interest of Guoguang Shengshi.

17. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY

(a) Other current financial asset

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Foreign exchange forward	**4,157**	—	**—**	—

It represents the fair value of a foreign exchange forward as at 31 December 2014, the fair value of the foreign exchange forward is based on the forward exchange rate and the total principle of the contract.

The movements of other financial asset during the year are set out below:

	The Group
	RMB'000
At 31 December 2013	—
Net changes in fair value of foreign exchange forward	4,157
At 31 December 2014	**4,157**

17. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY (CONTINUED)

(b) Other non-current financial assets

		The Group		The Company	
		2014	2013	2014	2013
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Available-for-sale equity securities					
Ftuan.com	(i)	**–**	–	**–**	–
CNLive	(ii)	**–**	20,000	**–**	–
Derivative financial assets					
Options					
FoneNet					
Conversion option	(iii)	**–**	219	**–**	219
Redemption option	(iii)	**–**	3,198	**–**	3,198
		–	3,417	**–**	3,417
		–	23,417	**–**	3,417

(i) The Company invested USD3 million on Ftuan.com, a group purchase website, and obtained 2.71% of its equity interests. The Company provided 100% impairment to the investment on Ftuan.com in the year of 2011 due to the losses on Ftuan.com's financial performance. Since Ftuan.com is not expected to make a profit in the next few years, hence no impairment was reversed in 2014.

	The Group		The Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Original cost	**18,952**	18,952	**18,952**	18,952
Impairment to the investment on Ftuan.com	**(18,952)**	(18,952)	**(18,952)**	(18,952)
Carrying value at 31 December	**–**	–	**–**	–

(ii) It represents 4.375% equity investment in CNLive, a mobile TV platform and service provider. During the year of 2014, the Group disposed of the 4.375% equity investment with a net profit of RMB32,500 thousand.

17. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY (CONTINUED)

(b) Other non-current financial assets (continued)

(iii) The conversion option represents the right to convert preferred shares to common shares of FoneNet Inc. based on a conversion price determined by the financial performance of FoneNet Inc. according to the agreement signed by the Company and FoneNet Inc. in 2011.

The redemption option represents the right to require FoneNet Inc. to redeem its preferred shares under certain conditions according to the agreement signed by the Company and FoneNet Inc. in 2011.

The fair value of conversion option and redemption option are calculated by Black-Scholes Option Pricing model, of which major inputs are based on the management's best estimates of FoneNet Inc.'s financial performance and market related data at the end of reporting period.

In the year of 2014, the Company disposed all the preferred shares of FoneNet Inc..

The movements of options during the year are set out below:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
At 1 January	**3,417**	4,339	**3,417**	3,767
Utilisation of other financial assets in current year	**—**	(752)	**—**	—
Changes in fair value	**(3,423)**	(60)	**(3,423)**	(240)
Exchange adjustment	**6**	(110)	**6**	(110)
At 31 December	**—**	3,417	**—**	3,417

17. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY (CONTINUED)

(c) Other current financial liability

Other current financial liability as at 31 December 2013 accounted for the present value of the expected consideration to be paid in the year of 2014 for the acquisition of remaining 10% equity interests in Beijing Golden Bridge Senmeng Media Adverting Company Limited ("Golden Bridge Senmeng") based on the financial performance of Golden Bridge Senmeng according to the agreement signed by CTV Golden Bridge International Media Group Company Limited, Beijing Senmeng Media Advertising Company Limited ("Beijing Senmeng") and beneficial owner of Beijing Senmeng in 2010.

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

On 31 August 2014, the Group acquired the remaining 10% equity interest of Golden Bridge Senmeng. No balance exists in regard of consideration to be paid to purchase non-controlling interest of Golden Bridge Senmeng.

Other current financial liability as at 31 December 2014 accounted for the fair value of a foreign exchange forward. The fair value of the foreign exchange forward is based on the forward exchange rate and the total principle of the contract.

The movements of other current financial liability during the year are set out below:

	The Group		
	Consideration to be paid	**Foreign exchange forward**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
At 31 December 2013	10,500	—	10,500
Net changes in fair value of the consideration to be paid	284	—	284
Reclassified to long-term investment	(10,784)	—	(10,784)
Net changes in fair value of foreign exchange forward	—	534	534
At 31 December 2014	**—**	**534**	**534**

18. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
		2014	2013	2014	2013
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Trade and other receivables		**2,550**	1,800	**—**	—
Current assets					
Trade debtors and bills receivable		**163,307**	144,272	**—**	—
Less: allowance for doubtful debts	18(b)	**(71,080)**	(73,475)	**—**	—
		92,227	70,797	**—**	—
Amounts due from subsidiaries		**—**	—	**435,779**	327,206
		92,227	70,797	**435,779**	327,206
Prepayments and deposits to media suppliers		**291,904**	230,840	**—**	—
Advances to employees		**2,372**	4,981	**595**	386
Other debtors and prepayments	(i)	**51,310**	78,249	**263**	—
Less: allowance for doubtful debts of other debtors		**(10,246)**	(6,266)	**—**	—
		427,567	378,601	**436,637**	327,592
		430,117	380,401	**436,637**	327,592

(i) The balance is mainly consists of input value-added tax to be deducted, prepaid production cost and various deposits.

(a) Ageing analysis

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

	2014		2013	
	Gross	Impairment	Gross	Impairment
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	**52,111**	**—**	45,224	—
3 to 6 months	**29,675**	**—**	16,671	—
6 to 12 months	**1,134**	**100**	8,422	—
Over 12 months	**80,387**	**70,980**	73,955	73,475
	163,307	**71,080**	144,272	73,475

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis (continued)

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

The Group's exposure to credit risks related to trade and other receivables are disclosed in note 25.

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly.

The movement in the allowance for doubtful debts impairment in respect of trade and bills receivable during the year is as follows:

	2014 ***RMB'000***	2013 *RMB'000*
Balance at 1 January	**73,475**	65,129
Additions from acquisition of subsidiaries	**—**	1,603
Impairment loss recognised for the period	**323**	8,292
Reversal of impairment loss	**(2,718)**	(1,549)
Balance at 31 December	**71,080**	73,475

As at 31 December 2014, the Group's trade debtors and bills receivable of RMB71,080 thousand (2013: RMB73,475 thousand) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB71,080 thousand (2013: RMB73,475 thousand) were recognised. The Group does not hold any collateral over these balances.

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**52,111**	45,224
Less than 6 months past due	**29,815**	25,032
More than 6 months but less than 12 months past due	**9,729**	268
More than 12 months past due	**572**	273
Total amount past due	**40,116**	25,573
	92,227	70,797

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance 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.

19. CASH AND CASH EQUIVALENTS

		The Group		The Company	
		2014	2013	**2014**	2013
	Note	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Cash at bank and on hand		**801,773**	1,070,106	**86,244**	23,140
Time deposit with original maturity over three months		**30,692**	—	**—**	—
Pledged bank deposits	*(i)*	**152,183**	—	**1,785**	—
Less:		**984,648**	1,070,106	**88,029**	23,140
Time deposit with original maturity over three months		**(30,692)**	—	**—**	—
Pledged bank deposits		**(152,183)**	—	**(1,785)**	—
Cash and cash equivalents		**801,773**	1,070,106	**86,244**	23,140

Note:

(i) Bank deposits of RMB152,183 thousand as at 31 December 2014 (2013: nil) were mainly pledged to banks for the performance guarantee in relation to certain sales or purchases contracts and bank loans. The pledged bank deposits will be released upon the expiry of the relevant guarantee in 2015.

19. CASH AND CASH EQUIVALENTS (CONTINUED)

(a) Cash and cash equivalents are denominated in

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
RMB	**698,083**	1,023,771	**—**	—
USD	**74,145**	10,396	**64,252**	515
EUR	**1**	1	**1**	1
AUD	**6**	7	**6**	7
SGD	**6,982**	9,460	**—**	—
HKD	**22,556**	26,471	**21,985**	22,617
	801,773	1,070,106	**86,244**	23,140

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	**2014** ***RMB'000***	2013 *RMB'000*
Profit before taxation		**430,577**	530,495
Adjustments for:			
Depreciation	*5(c)*	**28,927**	24,187
Amortisation of intangible assets	*5(c)*	**3,991**	1,039
Impairment of goodwill	*14*	**5,629**	—
Finance costs	*5(a)*	**4,496**	351
Finance income	*5(a)*	**(18,790)**	(21,823)
Net gain on disposal of available-for-sale securities		**(60,118)**	—
Share of profits less losses of associates		**840**	(3,455)
Net loss on sale of property, plant and equipment		**110**	157
Equity-settled share-based payment expenses	*22*	**2,113**	2,739
		397,775	533,690
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		**(51,302)**	109,101
Decrease in trade and other payables		**(311,997)**	(738,207)
Cash generated from/(used in) operations		**34,476**	(95,416)

20. TRADE AND OTHER PAYABLES

	Note	2014 RMB'000	2013 RMB'000
Trade payables	(i)	**16,956**	294,084
Payroll and welfare expenses payables		**19,197**	22,523
Other tax payables	(ii)	**16,587**	5,437
Other payables and accrued charges		**56,180**	146,598
Dividends payable due to non-controlling interest of a subsidiary		**1,006**	1,135
Financial liabilities measured at amortised cost		**109,926**	469,777
Advances from customers	(iii)	**407,929**	441,106
		517,855	910,883

(i) An ageing analysis of trade payables is as follows:

	2014 RMB'000	2013 RMB'000
Due within 3 months	**326**	241,223
Due after 3 months but within 6 months	**330**	15,572
Due after 6 months but within 12 months	**16,300**	37,289
	16,956	294,084

(ii) Other tax payables mainly comprised surcharges payable and stamp duty payable.

(iii) Advances from customers represented the down-payments received from customers, which are expected to be recognised as revenue within one year.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 25.

21. BANK LOANS

As at 31 December 2014, the bank loans were repayable as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within one year or on demand	**145,152**	5,000	**145,152**	—

As at 31 December 2014, the bank loans were secured as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Secured bank loans	**145,152**	5,000	**145,152**	—

Loans of RMB145,152 thousand as at 31 December 2014, were secured by bank deposits of the subsidiary of the Company. Current secured bank loans carried annual interest rates of quarterly HIBOR plus 290BPS for the year ended 31 December 2014.

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Pre-IPO Share Option Scheme

On 1 July 2007, the Group granted share options to employees of the Group, including directors of any companies in the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company. The consideration for the acceptance of the option is RMB0.1 per option.

Pursuant to the written resolutions of the Directors of the Company passed on 24 April 2008, each of the share option granted was sub-divided into 3.2 share options and the exercise price of share option was divided by 3.2 accordingly. The number and exercise price of share option granted have been retrospectively adjusted for the effects of the share subdivision as if the share option subdivision had took place as at the grant date.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Pre-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
1 July 2007	3,540,000	One year's service	10 years
1 July 2007	2,740,000	Two years' service	10 years
1 July 2007	2,740,000	Three years' service	10 years
1 July 2007	2,068,000	Four years' service	10 years

A resolution of extending the exercise period of the options granted under the Pre-IPO Share Option Scheme from 8 years to 10 years has been passed at the annual general meeting of the Company held on 12 June 2014.

(ii) The number and weighted average exercise prices of share options are as follows:

	2014		2013	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**RMB1.56**	**13,556,000**	RMB1.56	13,596,000
Exercised during the year	**RMB1.56**	**1,828,000**	RMB1.56	40,000
Forfeited during the year	**RMB1.56**	**640,000**	RMB1.56	—
Outstanding at the end of the year		**11,088,000**		13,556,000
Exercisable at the end of the year		**11,088,000**		13,556,000

The options outstanding as at 31 December 2014 had an exercise price of RMB1.56 per share and a weighted average remaining contractual life of 2.5 years (2013: 1.5 years).

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Pre-IPO Share Option Scheme (continued)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on a binomial lattice model, with following input:

	1 July 2007
Share price	RMB2.31
Exercise price	RMB1.56
Expected volatility	34.39%
Option life	10 years
Expected dividends	0.00%
Risk-free interest rate	4.17%

The expected volatility is based on average implied volatility of comparable companies in the media industry as at 1 July 2007 used in modelling under binomial option pricing model. Expected dividends are based on management estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options are granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market condition associated with the share option grants.

During the year ended 31 December 2014, no equity-settled share-based payment expenses (2013: nil) in respect of the Pre-IPO Share Option Scheme were recognised in the consolidated statement of profit or loss.

(b) Post-IPO Share Option Scheme

Pursuant to the ordinary resolutions of the shareholders of the Company passed on 27 May 2008, the Company has adopted a share option scheme (the "Post-IPO Scheme") whereby Directors of the Company may, at their discretion, invite any full time employee, Director or any person approved by the Board or shareholders of the Company to take up options which entitle them to subscribe for shares of the Company.

Up to 31 December 2014, the Company granted ten tranches of share option under Post-IPO Scheme.

(Expressed in Renminbi unless otherwise indicated)

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows:

(1) Post-IPO 1st tranche

On 17 September 2009, the Group granted share options to three Independent Non-executive Directors of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 3 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
17 September 2009	165,000	On the date of grant	8 years
17 September 2009	165,000	One year's service	8 years
17 September 2009	165,000	Two years' service	8 years
17 September 2009	165,000	Three years' service	8 years

(2) Post-IPO 2nd tranche

On 2 July 2010, the Group granted share options to full time employee and two Directors of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
2 July 2010	1,923,500	One year's service	8 years
2 July 2010	2,340,000	Two years' service	8 years
2 July 2010	2,555,000	Three years' service	8 years
2 July 2010	3,587,000	Four years' service	8 years

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(3) Post-IPO 3rd tranche

On 22 November 2010, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
22 November 2010	—	One year's service	8 years
22 November 2010	—	Two years' service	8 years
22 November 2010	—	Three years' service	8 years
22 November 2010	125,000	Four years' service	8 years

(4) Post-IPO 4th tranche

On 6 December 2010, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(4) Post-IPO 4th tranche (continued)

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
6 December 2010	162,500	One year's service	8 years
6 December 2010	162,500	Two years' service	8 years
6 December 2010	163,000	Three years' service	8 years
6 December 2010	225,000	Four years' service	8 years

(5) Post-IPO 5th tranche

On 29 August 2011, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
29 August 2011	130,000	One year's service	8 years
29 August 2011	130,000	Two years' service	8 years
29 August 2011	130,000	Three years' service	8 years
29 August 2011	205,000	Four years' service	8 years

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(6) Post-IPO 6th tranche

On 9 January 2012, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
9 January 2012	200,000	One year's service	8 years
9 January 2012	200,000	Two years' service	8 years
9 January 2012	200,000	Three years' service	8 years
9 January 2012	200,000	Four years' service	8 years

(7) Post-IPO 7th tranche

On 11 September 2012, the Group granted share options to full time employee and a Director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(7) Post-IPO 7th tranche (continued)

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
11 September 2012	—	One year's service	8 years
11 September 2012	340,000	Two years' service	8 years
11 September 2012	340,000	Three years' service	8 years
11 September 2012	340,000	Four years' service	8 years

(8) Post-IPO 8th tranche

On 12 April 2013, the Group granted share options to full time employee and a Director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
12 April 2013	95,000	One year's service	8 years
12 April 2013	175,000	Two years' service	8 years
12 April 2013	175,000	Three years' service	8 years
12 April 2013	175,000	Four years' service	8 years

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(9) Post-IPO 9th tranche

On 19 July 2013, the Group granted share options to full time employee and a Director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
19 July 2013	390,000	One year's service	8 years
19 July 2013	430,000	Two years' service	8 years
19 July 2013	430,000	Three years' service	8 years
19 July 2013	430,000	Four years' service	8 years

(10) Post-IPO 10th tranche

On 10 September 2014, the Group granted share options to full time employee and a Director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
10 September 2014	270,000	One year's service	8 years
10 September 2014	270,000	Two years' service	8 years
10 September 2014	270,000	Three years' service	8 years
10 September 2014	270,000	Four years' service	8 years

(Expressed in Renminbi unless otherwise indicated)

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(ii) *The number and weighted average exercise prices of share options are as follows:*

	Post-IPO Option 1st tranche		Post-IPO Option 2nd tranche		Post-IPO Option 3rd tranche		Post-IPO Option 4th tranche		Post-IPO Option 5th tranche	
	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options
At 1 January 2013	HKD1.49	660,000	HKD1.84	16,367,500	HKD2.82	500,000	HKD2.88	873,000	HKD2.62	2,240,000
Granted		–		–		–		–		–
Exercised		–	HKD1.84	1,131,500		–		–	HKD2.62	70,000
Cancelled		–	HKD1.84	187,500	HKD2.82	375,000		–		–
At 31 December 2013	HKD1.49	660,000	HKD1.84	15,048,500	HKD2.82	125,000	HKD2.88	873,000	HKD2.62	2,170,000
At 1 January 2014	**HKD1.49**	**660,000**	**HKD1.84**	**15,048,500**	**HKD2.82**	**125,000**	**HKD2.88**	**873,000**	**HKD2.62**	**2,170,000**
Granted		**–**		**–**		**–**		**–**		**–**
Exercised		**–**	**HKD1.84**	**4,538,000**		**–**	**HKD2.88**	**160,000**	**HKD2.62**	**155,000**
Cancelled		**–**	**HKD1.84**	**105,000**		**–**		**–**	**HKD2.62**	**1,420,000**
At 31 December 2014	**HKD1.49**	**660,000**	**HKD1.84**	**10,405,500**	**HKD2.82**	**125,000**	**HKD2.88**	**713,000**	**HKD2.62**	**595,000**
Currently exercisable At 31 December 2014	**HKD1.49**	**660,000**	**HKD1.84**	**10,405,500**	**HKD2.82**	**125,000**	**HKD2.88**	**713,000**	**HKD2.62**	**390,000**

	Post-IPO Option 6th tranche		Post-IPO Option 7th tranche		Post-IPO Option 8th tranche		Post-IPO Option 9th tranche		Post-IPO Option 10th tranche		Total
	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options	Average Exercise price	No. of options	No. of options
At 1 January 2013	HKD2.36	800,000	HKD3.22	1,860,000		–		–		–	23,300,500
Granted		–		–	HKD4.31	700,000	HKD6.86	1,880,000		–	2,580,000
Exercised		–	HKD3.22	75,000		–		–		–	1,276,500
Cancelled		–		–		–	HKD6.86	40,000			602,500
At 31 December 2013	HKD2.36	800,000	HKD3.22	1,785,000	HKD4.31	700,000	HKD6.86	1,840,000		–	24,001,500
At 1 January 2014	**HKD2.36**	**800,000**	**HKD3.22**	**1,785,000**	**HKD4.31**	**700,000**	**HKD6.86**	**1,840,000**		**–**	**24,001,500**
Granted		**–**		**–**		**–**		**–**	**HKD5.50**	**1,080,000**	**1,080,000**
Exercised		**–**	**HKD3.22**	**165,000**	**HKD4.31**	**80,000**		**–**		**–**	**5,098,000**
Cancelled		**–**	**HKD3.22**	**600,000**		**–**	**HKD6.86**	**160,000**		**–**	**2,285,000**
At 31 December 2014	**HKD2.36**	**800,000**	**HKD3.22**	**1,020,000**	**HKD4.31**	**620,000**	**HKD6.86**	**1,680,000**	**HKD5.50**	**1,080,000**	**17,698,500**
Currently exercisable At 31 December 2014	**HKD2.36**	**400,000**	**HKD3.22**	**340,000**	**HKD4.31**	**95,000**	**HKD6.86**	**390,000**		**–**	**13,518,500**

The options of Post-IPO 1st tranche outstanding as at 31 December 2014 had an exercise price of HKD1.49 per share and a weighted average remaining contractual life of 2.75 years.

The options of Post-IPO 2nd tranche outstanding as at 31 December 2014 had an exercise price of HKD1.84 per share and a weighted average remaining contractual life of 3.5 years.

The options of Post-IPO 3rd tranche outstanding as at 31 December 2014 had an exercise price of HKD2.82 per share and a weighted average remaining contractual life of 3.9 years.

The options of Post-IPO 4th tranche outstanding as at 31 December 2014 had an exercise price of HKD2.88 per share and a weighted average remaining contractual life of 3.95 years.

The options of Post-IPO 5th tranche outstanding as at 31 December 2014 had an exercise price of HKD2.62 per share and a weighted average remaining contractual life of 4.33 years.

The options of Post-IPO 6th tranche outstanding as at 31 December 2014 had an exercise price of HKD2.36 per share and a weighted average remaining contractual life of 5.02 years.

The options of Post-IPO 7th tranche outstanding as at 31 December 2014 had an exercise price of HKD3.22 per share and a weighted average remaining contractual life of 5.69 years.

The options of Post-IPO 8th tranche outstanding as at 31 December 2014 had an exercise price of HKD4.31 per share and a weighted average remaining contractual life of 6.28 years.

The options of Post-IPO 9th tranche outstanding as at 31 December 2014 had an exercise price of HKD6.86 per share and a weighted average remaining contractual life of 6.55 years.

The options of Post-IPO 10th tranche outstanding as at 31 December 2014 had an exercise price of HKD5.50 per share and a weighted average remaining contractual life of 7.69 years.

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(iii) *Fair value of share options and assumptions*

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on a binomial lattice model, with following input:

	Date of grant	Share price at grant date	Exercise price	Expected volatility	Option life (expressed as weighted average life)	Expected dividends	Risk-free interest rate
Post-IPO 1st tranche	17 September 2009	HKD1.49	HKD1.49	43.77%	8 years	2.49%	2.16%
Post-IPO 2nd tranche	2 July 2010	HKD1.74	HKD1.84	46.17%	8 years	1.61%	2.09%
Post-IPO 3rd tranche	22 November 2010	HKD2.82	HKD2.82	45.72%	8 years	1.30%	2.02%
Post-IPO 4th tranche	6 December 2010	HKD2.88	HKD2.88	45.70%	8 years	1.30%	2.16%
Post-IPO 5th tranche	29 August 2011	HKD2.60	HKD2.62	41.47%	8 years	2.94%	1.74%
Post-IPO 6th tranche	9 January 2012	HKD2.36	HKD2.36	42.58%	8 years	5.37%	1.52%
Post-IPO 7th tranche	11 September 2012	HKD3.22	HKD3.22	43.51%	8 years	4.96%	0.66%
Post-IPO 8th tranche	12 April 2013	HKD4.31	HKD4.31	44.58%	8 years	5.33%	0.95%
Post-IPO 9th tranche	19 July 2013	HKD6.68	HKD6.86	45.82%	8 years	3.94%	2.20%
Post-IPO 10th tranche	10 September 2014	HKD5.40	HKD5.50	55.13%	8 years	6.00%	1.98%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected change to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(iii) Fair value of share options and assumptions (continued)

Share options are granted mainly under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market condition associated with the share option grants.

During the year ended 31 December 2014, equity-settled share-based payment expenses of RMB2,113 thousand (2013: RMB2,739 thousand) in respect of the Post-IPO Share Option Scheme were recognised in the consolidated statement of profit or loss.

23. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2014 *RMB'000*	2013 *RMB'000*
PRC income tax		
Balance at the beginning of the year	**83,563**	91,666
Provision for the year	**119,174**	158,909
Tax paid	**(153,166)**	(167,012)
Balance of tax provision at the end of the year	**49,571**	83,563

23. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

(i) The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from	Accrued expenses *RMB'000*	Tax loss carry-forwards *RMB'000*	Total *RMB'000*
At 1 January 2013	(3,633)	(1,513)	(5,146)
Additions from acquisition of subsidiaries	—	(6,456)	(6,456)
Charged/(Credited) to profit or loss	121	(222)	(101)
At 31 December 2013	(3,512)	(8,191)	(11,703)
At 1 January 2014	**(3,512)**	**(8,191)**	**(11,703)**
Charged to profit or loss	**718**	**4,799**	**5,517**
At 31 December 2014	**(2,794)**	**(3,392)**	**(6,186)**

(ii) Reconciliation to the statements of financial position

	2014 *RMB'000*	2013 *RMB'000*
Net deferred tax asset recognised on the statement of consolidated financial position	**(6,186)**	(11,703)

(c) Deferred tax assets and liabilities not recognised:

As at 31 December 2014, temporary differences relating to the undistributed retained earnings of PRC subsidiaries amounted to RMB1,065,442 thousand (2013: RMB875,414 thousand). Deferred tax liability of RMB106,225 thousand (2013: RMB87,279 thousand) have not been recognised in respect of the tax that would be payable on the distribution of these retained earnings as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that those retained earnings are not likely to be distributed in the foreseeable future.

24. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's reserves is set out in the Consolidated Statement of Changes in Equity. Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

	Share capital *RMB'000* *(note 24(c))*	Share premium *RMB'000* *(note 24(d))*	Capital redemption reserve *RMB'000* *(note 24(d))*	Capital reserve *RMB'000* *(note 24(d))*	Translation reserve *RMB'000* *(note 24(d))*	Retained profits *RMB'000*	Total *RMB'000*
Balance at 1 December 2013	171	472,973	22	34,972	(47,487)	124,285	584,936
Changes in equity for 2013:							
Equity-settled share-based transactions (note 22)	–	–	–	2,739	–	–	2,739
Exercise of share option	1	12,240	–	(10,042)	–	–	2,199
Dividends	–	–	–	–	–	(119,453)	(119,453)
Total comprehensive income for the year	–	–	–	–	(18,922)	166,156	147,234
Balance at 31 December 2013	**172**	**485,213**	**22**	**27,669**	**(66,409)**	**170,988**	**617,655**
Changes in equity for 2014:							
Equity-settled share-based transactions (note 22)	**–**	**–**	**–**	**2,113**	**–**	**–**	**2,113**
Exercise of share option	**2**	**15,325**	**–**	**(4,640)**	**–**	**–**	**10,687**
Transition to no-par value regime	**500,560**	**(500,538)**	**(22)**	**–**	**–**	**–**	**–**
Dividends	**–**	**–**	**–**	**–**	**–**	**(147,908)**	**(147,908)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**6,067**	**123,650**	**129,717**
Balance at 31 December 2014	**500,734**	**–**	**–**	**25,142**	**(60,342)**	**146,730**	**612,264**

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

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

	2014 ***RMB'000***	2013 *RMB'000*
Final dividend proposed after the end of reporting period date of approximately RMB10.71 cents per ordinary share (2013: approximately RMB13.01 cents per ordinary share)	**60,866**	73,033
Special dividend proposed after the end of reporting period date of approximately RMB10.71 cents per ordinary share (2013: approximately RMB13.01 cents per ordinary share)	**60,866**	73,033
	121,732	146,066

Pursuant to a resolution passed at the Director's meeting on 19 March 2015, a final dividend of HKD13.50 cents per share and a special dividend of HKD13.50 cents per share in respect of the year ended 31 December 2014 totalling of HKD153,418 thousand (equivalent to approximately RMB121,732 thousand at an exchange rate of 0.79346) will be proposed for shareholders' approval at the Annual General Meeting. Final dividend and special dividend HKD153,418 thousand in total proposed after the statement of financial position date has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Group attributable to the previous financial year approved during the year

	2014 ***RMB'000***	2013 *RMB'000*
Dividends to equity shareholders of the Company	**147,908**	119,453
Dividends to non-controlling interest of a subsidiary	**360**	585
	148,268	120,038

(Expressed in Renminbi unless otherwise indicated)

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends (continued)

(ii) Dividends payable to equity shareholders of the Group attributable to the previous financial year approved during the year (continued)

Pursuant to the Board resolutions dated 12 June 2014, the Company declared dividends at an aggregate amount of HKD186,330 thousand (equivalent to approximately RMB147,908 thousand at an exchange rate of 0.79380) to the equity shareholders from the distributable reserve. Such dividends were fully paid in July 2014.

(c) Share capital

(i) Authorised and issued share capital

	2014 No. of ordinary shares	2014 *HKD*	2013 No. of ordinary shares	2013 *HKD*
Authorised (note 1):				
At 1 January and 31 December (note 2)	–	–	1,800,000,000	562,500
Ordinary shares, issued and fully paid:				
At 1 January	**561,289,370**	**175,403**	555,685,900	173,652
Shares issued under share option scheme	**6,926,000**	**2,164**	5,603,470	1,751
Transition to no-par value regime (note 3)	–	**568,774,523**	–	–
At 31 December	**568,215,370**	**568,952,090**	561,289,370	175,403
RMB equivalent		**500,733,933**		172,425

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(i) Authorised and issued share capital (continued)

Note 1: Under the new Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

Note 2: In accordance with section 135 of the new Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

Note 3: In accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622) on 3 March 2014 any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Purchase of own shares

During the year, the Company did not repurchase any of its own ordinary shares on The Stock Exchange of Hong Kong Limited.

(iii) Shares issued under share option scheme

In April 2014 to August 2014 and October 2014 to December 2014, options were exercised to subscribe for 6,926,000 ordinary shares in the Company at a consideration of RMB10,687 thousand of which RMB2 thousand was credited to share capital, the balance of RMB15,325 thousand was credited to the share premium account and RMB4,640 thousand has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(r)(ii).

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the end of reporting period

(1) Pre-IPO Scheme

A pre-IPO share options holder may exercise a maximum of 25% of the total number of the pre-IPO share options granted after the elapse of 365 days from the acceptance of the pre-IPO share options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the pre-IPO share options granted, up to eight years from the date on which the pre-IPO share options are granted.

Exercisable period of the pre-IPO share options granted to employees of the Group commences on 8 January 2009 and expires on a date ranging from 3 July 2017 to 6 March 2018 (depending on their respective date of grant of the option), subject to the vesting requirement mentioned above.

As at 31 December 2014, there were 11,088,000 unexercised pre-IPO share options (2013: 13,556,000) at an exercise price of RMB1.56.

(2) Post-IPO Scheme

The Company has adopted share option schemes on 27 May 2008 (the "Post-IPO Scheme").

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the end of reporting period (continued)

(2) Post-IPO Scheme (continued)

Exercise period	Exercise price	2014 Number	2013 Number
17 September 2009 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2010 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2011 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2012 to 16 September 2017	HKD1.49	**165,000**	165,000
2 July 2011 to 1 July 2018	HKD1.84	**4,835,000**	4,835,000
2 July 2012 to 1 July 2018	HKD1.84	**4,835,000**	4,835,000
2 July 2013 to 1 July 2018	HKD1.84	**4,835,000**	4,835,000
2 July 2014 to 1 July 2018	HKD1.84	**4,835,000**	4,835,000
22 November 2011 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2012 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2013 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2014 to 21 November 2018	HKD2.82	**325,000**	325,000
6 December 2011 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2012 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2013 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2014 to 5 December 2018	HKD2.88	**265,000**	265,000
29 August 2012 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2013 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2014 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2015 to 28 August 2019	HKD2.62	**635,000**	635,000
9 January 2013 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2014 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2015 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2016 to 8 January 2020	HKD2.36	**350,000**	350,000
11 September 2013 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2014 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2015 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2016 to 10 September 2020	HKD3.22	**465,000**	465,000
12 April 2014 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2015 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2016 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2017 to 11 April 2021	HKD4.31	**175,000**	175,000
19 July 2014 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2015 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2016 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2017 to 18 July 2021	HKD6.86	**470,000**	470,000
10 September 2015 to 9 September 2022	HKD5.50	**270,000**	–
10 September 2016 to 9 September 2022	HKD5.50	**270,000**	–
10 September 2017 to 9 September 2022	HKD5.50	**270,000**	–
10 September 2018 to 9 September 2022	HKD5.50	**270,000**	–
		31,820,000	30,740,000

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the end of reporting period (continued)

(2) Post-IPO Scheme (continued)

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 22 to the financial statements.

As at 31 December 2014, there were 17,698,500 unexercised post-IPO share options (2013: 24,001,500).

(d) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

Prior to 3 March 2014, the application of the share premium account and the capital redemption reserve was governed by sections 48B and 49H respectively of the predecessor Hong Kong Companies Ordinance (Cap. 32). In accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014 any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital (see note 24(c)). The use of share capital as from 3 March 2014 is governed by the new Hong Kong Companies Ordinance (Cap. 622).

(ii) Capital reserve

The capital reserve comprises the contribution from non-controlling interests and the portion of the grant date fair value of unexercised share options granted to employees and Directors of the Group that has been recognised in accordance with the accounting policy adopted for equity-settled share-based transactions in note 1(r)(ii).

(iii) Statutory reserve

Pursuant to applicable PRC regulations, certain PRC subsidiaries are required to transfer 10% of their profit after income tax (after offsetting prior year's losses, if applicable) to statutory reserve until such reserve reaches 50% of the registered capital. The transfer to the reserve must be made before distribution of dividends to equity holders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

24. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (continued)

(iv) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements presented in any currencies other than RMB which are dealt with in accordance with the accounting policies as set out in note 1(v).

(v) Other reserves

Other reserves comprises the difference between the carrying amount of the net assets received and the consideration paid, as a result of the reorganization during which the Company acquired subsidiaries from the ultimate controlling shareholders of the Group in 2006 and 2007.

(vi) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed 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. Trade receivables are normally due within 90 days from the date of billing. Debtors with overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 0.00% (2013: 0.00%) and 6.36% (2013: 5.17%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral is represented by the carrying amount of trade and other receivables in the statement of financial position after deducting any impairment allowance. The Group does not provide any other guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows at the earliest date the Group and the Company can be required to pay:

The Group

	2014 Contractual undiscounted cash outflow					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Trade and other payables*	**109,926**	**—**	**—**	**—**	**109,926**	**109,926**
Bank loans	**145,152**	**—**	**—**	**—**	**145,152**	**145,152**
Other financial liability	**534**	**—**	**—**	**—**	**534**	**534**

	2013 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables*	470,778	—	—	—	470,778	470,778
Other financial liability	10,949	—	—	—	10,949	10,500

* Excludes advances from customers

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

The Company

	2014					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Trade and other payables	**1,999**	**—**	**—**	**—**	**1,999**	**1,999**
Bank loans	**145,152**	**—**	**—**	**—**	**145,152**	**145,152**

	2013					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	2,336	—	—	—	2,336	2,336

(c) Currency risk

(i) Forecast transactions

The Group is exposed to currency risk primarily through trade and other receivables, trade and other payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Euros, United State dollars, and Australian dollars.

The Group did not hedge its foreign currency exposure other than by retaining its foreign currency denominated earnings and receipts to the extent permitted by the State Administration of Foreign Exchange.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(ii) Recognised assets and liabilities

In respect of trade and other receivables, trade and other payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(iii) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Trade and other receivables				
— in RMB	**—**	—	**431,837**	323,955
— in HKD	**5,191**	935	**—**	—
Cash and cash equivalents				
— in USD	**74,145**	10,396	**64,252**	515
— in EUR	**1**	1	**1**	1
— in AUD	**6**	7	**6**	7
— in SGD	**6,982**	9,460	**—**	—
— in HKD	**26,556**	—	**—**	—
Trade and other payables				
— in USD	**—**	(1,917)	**—**	(1,227)
— in RMB	**—**	—	**(710)**	(417)
— in HKD	**(13,342)**	(592)	**—**	—
— in SGD	**(51)**	—	**—**	—
Bank loans				
— in HKD	**(145,152)**	—	**—**	—
Gross exposure	**(45,664)**	18,290	**495,386**	322,834

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(iii) Exposure to currency risk (continued)

The following significant exchange rates applied during the year:

RMB	Average rate 2014	Average rate 2013	Reporting date spot rate 2014	Reporting date spot rate 2013
HKD	**0.7878**	0.7985	**0.7889**	0.7862
USD	**6.1080**	6.1912	**6.1190**	6.0969
AUD	**5.2238**	5.9832	**5.0174**	5.4301
EUR	**7.9373**	8.3682	**7.4556**	8.4189
SGD	**4.7121**	4.9387	**4.6396**	4.7845

(iv) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of reporting period had changed at that date, assuming all other risk variable remained constant.

The Group

	2014		2013	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and retained earnings** *RMB'000*	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings *RMB'000*
USD	**10%**	**7,415**	10%	636
	(10%)	**(7,415)**	(10%)	(636)
AUD	**10%**	**1**	10%	1
	(10%)	**(1)**	(10%)	(1)
EUR	**10%**	**0.1**	10%	0.1
	(10%)	**(0.1)**	(10%)	(0.1)
HKD	**10%**	**(12,676)**	10%	2,011
	(10%)	**12,676**	(10%)	(2,011)
SGD	**10%**	**693**	10%	709
	(10%)	**(693)**	(10%)	(709)

(c) Currency risk (continued)

(iv) Sensitivity analysis (continued)

The Company

	2014		2013	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings *RMB'000*	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings *RMB'000*
USD	**10%**	**6,425**	10%	71
	(10%)	**(6,425)**	(10%)	(71)
AUD	**10%**	**1**	10%	1
	(10%)	**(1)**	(10%)	(1)
EUR	**10%**	**0.1**	10%	0.1
	(10%)	**(0.1)**	(10%)	(0.1)
RMB	**10%**	**43,113**	10%	32,301
	(10%)	**(43,113)**	(10%)	(32,301)
SGD	**10%**	**—**	10%	0.01
	(10%)	**—**	(10%)	(0.01)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2013.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale equity securities (see note 17).

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

The Group

	Fair value at 31 December 2014 *RMB'000*	Fair value measurement as at 31 December 2014 categorised into Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*
Assets				
Other current financial asset	**4,157**	**4,157**	–	–
Liability				
Other current financial liability	**534**	**534**	–	–

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

The Group

	Fair value at 31 December 2013	Fair value measurement as at 31 December 2013 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Other non-current financial assets				
— Available-for-sale equity securities	20,000	—	—	20,000
— Redemption option	3,198	—	—	3,198
— Conversion option	219	—	—	219
Liability				
Other current financial liability	10,500	—	—	10,500

During the year ended 2014 and 2013, there were no transfer between instruments in Level 1 and Level 2, or transfer into or out of Level 3.

The movement during the year in the balance of Level 3 fair value measurements is disclosed in note 17.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 2013.

26. COMMITMENTS

(a) Capital commitment

As at 31 December 2014, the Group and the Company did not have any significant capital commitment.

(b) Operating commitments

As at 31 December 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2014	2013
	RMB'000	*RMB'000*
Within one year	**4,650**	3,477
After one year but within five years	**4,438**	1,233
Total	**9,088**	4,710

As at the reporting date, non-cancellable contracts for purchasing advertisement resources payable by the Group are as follows:

	2014	2013
	RMB'000	*RMB'000*
Within one year	**97,125**	97,295

27. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2014, the Group and the Company did not have any significant contingent assets and liabilities.

28. MATERIAL RELATED PARTY TRANSACTIONS

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

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

	Note	2014 RMB'000	2013 RMB'000
Rental of office	(i)	–	675

(i) Golden Bridge Senmeng rented the office in Xinzhou Commercial Building from Ms. Liu Jinlan, the ultimate controlling shareholder of the Group, at a price of RMB675 thousand for the year ended 31 December 2013. The rental agreement was terminated as at 10 September 2013.

(b) Transactions with other related parties

	Note	2014 RMB'000	2013 RMB'000
Rental of office	(i)	722	650

(i) CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Company Limited, which was effectively controlled by the ultimate controlling shareholder of the Group for the period from 1 January 2014 to 31 December 2014 at a price of RMB722 thousand per annum. The amount of rent charged under the lease was determined with reference to amounts charged by Shanghai CTV Golden Bridge International Culture and Communication Company Limited to third parties.

(c) Outstanding balance with related parties

	2014 RMB'000	2013 RMB'000
Rental of office	722	722

The balance represents non-cancellable rentals payable by the Group to Shanghai CTV Golden Bridge International Culture and Communication Company Limited for the rentals of 2014.

28. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's Directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2014	2013
	RMB'000	*RMB'000*
Short-term employee benefits	**5,122**	6,112
Equity-settled share-based transactions	**93**	255
	5,215	6,367

Total remuneration is included in "Staff cost" (see note 5(b)).

29. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Directors proposed dividends payable to equity shareholders of the Company. Further details are disclosed in note 24(b).

30. IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2014, the Directors consider the immediate parent and the ultimate holding company of the Group to be Golden Bridge International Culture Limited and Golden Bridge International Advertising Holdings Limited respectively, both of which are incorporated in Cayman Islands. These two entities do not produce financial statements available for public use.

(Expressed in Renminbi unless otherwise indicated)

31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

Up to the date of issue of these financial statements, the IASB has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2014 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 19, *Defined benefit plans: Employee contributions*	1 July 2014
Annual improvements to IFRS 2010–2012 cycle	1 July 2014
Annual improvements to IFRS 2011–2013 cycle	1 July 2014
Amendments to IFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to IAS 16 and IAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
IFRS 15, *Revenue from contracts with customers*	1 January 2017
IFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Five Year Summary

(Expressed in Renminbi)

	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Results					
Revenue	**1,634,652**	1,767,036	1,642,113	1,617,800	1,373,173
Profit from operations	**424,126**	506,131	419,672	352,292	208,979
Net finance income	**7,291**	20,909	18,589	16,340	13,554
Share of (loss)/profit of associates	**(840)**	3,455	(1,169)	(7,169)	(584)
Profit before taxation	**430,577**	530,495	437,092	361,463	221,949
Income tax	**(124,691)**	(158,808)	(131,468)	(119,132)	(55,598)
Profit for the year	**305,886**	371,687	305,624	242,331	166,351
Attributable to:					
Equity shareholders of the Company	**306,571**	369,108	302,591	238,945	158,064
Non-controlling interests	**(685)**	2,579	3,033	3,386	8,287
Profit for the year	**305,886**	371,687	305,624	242,331	166,351
Assets and liabilities					
Property, plant and equipment	**272,555**	219,393	53,253	56,229	54,601
Investment property	**629,949**	704,159	3,766	3,899	—
Intangible assets	**39,955**	38,336	—	—	—
Goodwill	**18,015**	23,644	—	—	—
Prepayments	**—**	—	—	230,000	—
Interest in associates	**6,850**	44,153	792,869	47,722	6,000
Other non-current financial assets	**—**	23,417	48,086	30,447	—
Deferred tax assets	**6,186**	11,703	24,339	3,643	8,748
Trade and other receivables	**2,550**	1,800	5,146	—	—
Net current assets	**703,260**	438,761	318,683	667,539	804,393
Total assets less current liabilities	**1,679,320**	1,505,366	1,246,142	1,039,479	873,742
Deferred tax liability	**—**	—	—	—	(4,041)
Other non-current financial liability	**—**	—	(12,442)	(14,245)	(13,657)
NET ASSETS	**1,679,320**	1,505,366	1,233,700	1,025,234	856,044

Five Year Summary

(Expressed in Renminbi)

	2014 RMB'000	2013 RMB'000	2012 RMB'000	2011 RMB'000	2010 RMB'000
Capital and reserves					
Share capital	**500,734**	172	171	171	174
Reserves	**1,168,674**	1,477,978	1,224,542	1,018,704	848,966
Total equity attributable to equity shareholders of the Company	**1,669,408**	1,478,150	1,224,713	1,018,875	849,140
Non-controlling interests	**9,912**	27,216	8,987	6,359	6,904
TOTAL EQUITY	**1,679,320**	1,505,366	1,233,700	1,025,234	856,044
Earnings per share					
Basic earnings per share (RMB)	**0.542**	0.661	0.544	0.424	0.279
Diluted earnings per share (RMB)	**0.528**	0.636	0.532	0.419	0.278

SinoMedia®

中視金橋國際傳媒控股有限公司

SinoMedia Holding Limited

(incorporated in Hong Kong with limited liability)

（於香港註冊成立之有限公司）