品牌中国
BRANDING CHINA

BRANDING CHINA GROUP LIMITED
品牌中國集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8219)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement, for which the directors (the "Directors") of Branding China Group Limited (the "Company") collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively the "Group"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

RESULTS

	2014	2013	2012	2011	2010
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Revenue	**303,903,121**	271,275,660	146,939,781	132,026,503	83,743,438
Profit before tax	**55,857,016**	70,174,343	44,857,520	47,802,264	23,701,347
Income tax expense	**(14,833,780)**	(19,308,835)	(12,501,125)	(13,348,959)	(5,920,236)
Profit for the year	**41,023,236**	50,865,508	32,356,395	34,453,305	17,781,111
Exchange differences on translating foreign operations	**145,992**	(45,664)	(526,581)	(492,061)	–
Total comprehensive income for the year	**41,169,228**	50,819,844	31,829,814	33,961,244	17,781,111

SUMMARY OF ASSETS AND LIABILITIES

	2014	2013	2012	2011	2010
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Total non-current assets	**163,122,871**	163,740,218	35,087,949	1,833,520	1,829,572
Total current assets	**350,132,170**	298,405,167	199,688,198	116,300,202	69,571,579
Total current liabilities	**116,600,008**	95,416,358	47,277,036	31,317,927	38,436,631
Net current assets	**233,532,162**	202,988,809	152,411,162	84,982,275	31,134,948
Non-current liabilities	**904,545**	12,147,767	–	–	–
Net assets	**395,750,488**	354,581,260	187,499,111	86,815,795	32,964,520

ANNUAL RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 together with the comparative figures for the last financial year as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

	Notes	**2014** ***RMB***	2013 *RMB*
Revenue	6	**303,903,121**	271,275,660
Cost of sales		**(220,905,162)**	(180,615,186)
Gross profit		**82,997,959**	90,660,474
Other income and gains	6	**7,908,322**	3,835,379
Selling and distribution expenses		**(5,074,735)**	(4,449,755)
Administrative and other expenses		**(28,483,362)**	(18,001,778)
Finance costs	7	**(1,509,246)**	(1,883,697)
Share of profits of an associate		**18,078**	13,720
Profit before income tax expense	8	**55,857,016**	70,174,343
Income tax expense	11	**(14,833,780)**	(19,308,835)
Profit for the year		**41,023,236**	50,865,508
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**145,992**	(45,664)
Total comprehensive income for the year		**41,169,228**	50,819,844
Earnings per share			
– Basic and diluted	14	**0.17**	0.23

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At 31 December 2014

	Notes	**2014** **RMB**	2013 RMB
Assets			
Non-current assets			
Property, plant and equipment	15	**1,869,877**	1,564,385
Goodwill	16	**156,293,197**	156,293,197
Intangible assets	17	**3,736,245**	4,677,162
Interests in an associate	19	**1,223,552**	1,205,474
Total non-current assets		**163,122,871**	163,740,218
Current assets			
Trade and bills receivables	20	**137,828,977**	147,584,340
Prepayments, deposits and other receivables	21	**102,679,599**	34,101,518
Cash and cash equivalents	23	**109,623,594**	116,719,309
Total current assets		**350,132,170**	298,405,167
Total assets		**513,255,041**	462,145,385
Liabilities			
Current liabilities			
Trade payables	24	**53,471,136**	38,635,219
Receipts in advance, other payables and accruals	25	**37,254,085**	29,855,511
Bank borrowings	26	**20,000,000**	15,000,000
Current tax liabilities		**5,874,787**	11,925,628
Total current liabilities		**116,600,008**	95,416,358
Net current assets		**233,532,162**	202,988,809
Total assets less current liabilities		**396,655,033**	366,729,027
Non-current liabilities			
Other payables and accruals	25	**–**	10,978,477
Deferred tax liabilities	27	**904,545**	1,169,290
Total non-current liabilities		**904,545**	12,147,767
Total liabilities		**117,504,553**	107,564,125
NET ASSETS		**395,750,488**	354,581,260
Equity attributable to owners of the Company			
Issued capital	28	**1,996,737**	1,996,737
Reserves		**393,753,751**	352,584,523
TOTAL EQUITY		**395,750,488**	354,581,260

STATEMENT OF FINANCIAL POSITION

As At 31 December 2014

	Notes	2014 RMB	2013 RMB
Assets			
Non-current assets			
Investments in subsidiaries	18	**161,666,679**	161,666,667
Current assets			
Prepayments and other receivables	21	**821,908**	491,672
Amounts due from subsidiaries	22	**37,998,858**	51,642,380
Cash and cash equivalents	23	**622,349**	702,940
Total current assets		**39,443,115**	52,836,992
Total assets		**201,109,794**	214,503,659
Liabilities			
Current liabilities			
Other payables and accruals	25	**12,304,494**	13,185,648
Amounts due to subsidiaries	22	**1,787,374**	1,541,919
Total current liabilities		**14,091,868**	14,727,567
Net current assets		**25,351,247**	38,109,425
Total assets less current liabilities		**187,017,926**	199,776,092
Non-current liabilities			
Other payables and accruals	25	**–**	10,978,477
Total liabilities		**14,091,868**	25,706,044
NET ASSETS		**187,017,926**	188,797,615
Equity attributable to owners of the Company			
Issued capital	28	**1,996,737**	1,996,737
Share premium	29	**203,009,101**	203,009,101
Exchange reserve	29	**(426,654)**	(481,793)
Accumulated losses	29	**(17,561,258)**	(15,726,430)
TOTAL EQUITY		**187,017,926**	188,797,615

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2014

	Issued capital *RMB*	Share premium* *RMB*	Surplus* *RMB*	Exchange reserve* *RMB*	Statutory reserve* *RMB* *(Note)*	Retained profits* *RMB*	Total equity *RMB*
At 1 January 2013	1,618,440	87,125,093	2,000,000	(1,018,642)	3,852,855	93,921,365	187,499,111
Profit for the year	–	–	–	–	–	50,865,508	50,865,508
Other comprehensive income	–	–	–	(45,664)	–	–	(45,664)
Total comprehensive income	–	–	–	(45,664)	–	50,865,508	50,819,844
Shares issued on acquisition of a subsidiary *(note 28)*	378,297	115,884,008	–	–	–	–	116,262,305
Appropriation to statutory reserve *(note)*	–	–	–	–	221,099	(221,099)	–
At 31 December 2013 and 1 January 2014	1,996,737	203,009,101	2,000,000	(1,064,306)	4,073,954	144,565,774	354,581,260
Profit for the year	–	–	–	–	–	41,023,236	41,023,236
Other comprehensive income	–	–	–	145,992	–	–	145,992
Total comprehensive income	–	–	–	145,992	–	41,023,236	41,169,228
Appropriation to statutory reserve *(note)*	–	–	–	–	2,582,444	(2,582,444)	–
At 31 December 2014	1,996,737	203,009,101	2,000,000	(918,314)	6,656,398	183,006,566	395,750,488

* These reserve accounts are aggregate to reserves of RMB393,753,751 and RMB352,584,523 in the consolidated statements of financial position as at 31 December 2014 and 2013 respectively.

Note:

As stipulated by the relevant regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operating in the PRC are required to appropriate 10% of their profit after tax (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve until the statutory reserve balance reaches 50% of the registered capital. The transfer to this statutory reserve must be made before distribution of dividend to equity owners. The statutory reserve fund can be used to make up prior years' losses, if any.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2014

	2014	2013
	RMB	*RMB*
Profit before income tax expense	**55,857,016**	70,174,343
Adjustments for:		
Interest income	**(1,121,656)**	(372,757)
Finance costs	**1,509,246**	1,883,697
Amortisation of intangible asset	**1,067,413**	617,738
Depreciation of property, plant and equipment	**451,244**	327,428
Loss on written off/disposals of property, plant and equipment	**167,647**	6,707
Gain on disposal of financial assets at fair value through profit or loss	**(1,260,000)**	(1,477,778)
(Reversal of impairment loss)/impairment loss on trade receivables	**(249,961)**	376,522
Share of profits of an associate	**(18,078)**	(13,720)
Operating profit before working capital changes	**56,402,871**	71,522,180
Decrease/(increase) in trade and bills receivables	**10,005,324**	(46,461,476)
(Increase)/decrease in prepayments, deposits and other receivables	**(68,578,081)**	25,275,037
Increase/(decrease) in trade and bills payables	**14,835,917**	(2,032,079)
Increase in receipt in advance, other payables and accruals	**7,419,246**	1,300,022
Purchases of financial assets at fair value through profit or loss	**(30,000,000)**	(25,000,000)
Proceed from disposal of financial assets at fair value through profit or loss	**31,260,000**	32,977,778
Cash flows from operating activities	**21,345,277**	57,581,462
Income taxes paid	**(21,149,366)**	(14,245,549)
Net cash generated from operating activities	**195,911**	43,335,913
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	**(10,999,149)**	(21,228,288)
Purchases of intangible assets	**(126,496)**	–
Purchases of property, plant and equipment	**(988,003)**	(646,380)
Proceeds from disposals of property, plant and equipment	**63,620**	–
Interest received	**1,121,656**	372,757
Net cash used in investing activities	**(10,928,372)**	(21,501,911)

	Note	2014 RMB	2013 RMB
Cash flows from financing activities			
Advances from a shareholder		**–**	548,887
Repayment to an associate		**–**	(20,000)
Interest paid		**(1,509,246)**	(1,883,697)
New borrowings		**40,000,000**	55,000,000
Repayment of bank borrowings		**(35,000,000)**	(55,000,000)
Net cash generated from/(used in) financing activities		**3,490,754**	(1,354,810)
Net (decrease)/increase in cash and cash equivalents		**(7,241,707)**	20,479,192
Effect of exchange rate changes on cash and cash equivalents		**145,992**	24,842
Cash and cash equivalents at the beginning of year		**116,719,309**	96,215,275
Cash and cash equivalents at the end of year		**109,623,594**	116,719,309
Analysis of the balances of cash and cash equivalents			
Cash and bank balances	23	**109,623,594**	116,719,309

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 March 2011. The Company's registered office is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at No. 54 Shaoxing Road, Huangpu District, Postal code – 200020, Shanghai, the PRC.

Pursuant to a reorganisation (the "Reorganisation") to rationalise the structure of the Company and its subsidiaries (together as the "Group") in preparation for the listing of the Company's shares on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies then comprising the Group on 1 June 2011.

One of the subsidiaries, 上海三眾華納傳媒投資管理有限公司 ("SMU"), in the Group that was established in the PRC. SMU is wholly owned by Mr. Fang Bin, one of the directors of the Company. Under the prevailing laws and regulations in the PRC, companies with foreign ownership are prohibited from engaging in the publishing of books, newspapers and periodicals and are restricted from engaging in the provision of value-added telecommunications services in the PRC. In order to enable certain foreign investors to invest in businesses of the Group, Century Linker (Hong Kong) Limited ("Century Linker") and 上海三眾企業管理諮詢有限公司 ("Shanghai SumZone Enterprise"), an indirect wholly owned subsidiary of the Company, a direct wholly owned subsidiary of Century Linker and one of the subsidiaries of the Company in the PRC, were established on 18 January 2011 and 1 June 2011 respectively.

On 1 June 2011, certain structured contracts, the exclusive consulting and service agreement, irrevocable powers of attorney, exclusive business operating agreement, exclusive option agreement and share pledge agreement (collectively the "Structured Contracts") were effectuated amongst SMU, Mr. Fang Bin, Century Linker and Shanghai SumZone Enterprise to the effect that the business operations, the decision-making power and financial and operating policies of SMU are ultimately controlled by Shanghai SumZone Enterprise.

In particular, Shanghai SumZone Enterprise undertakes to provide SMU with certain management and consulting services. In return, the Group is entitled to substantially all of the operating profits and residual benefits generated by SMU through intercompany charges levied on these services rendered. Mr. Fang Bin is also required to transfer his interests in SMU to the Group or the Group's designee upon a request made by the Group for a pre-agreed nominal consideration or the minimum value as required by the PRC laws by the time when the PRC laws and regulations allow such transfer in future. The ownership interests in SMU have also been pledged by Mr. Fang Bin to the Group in respect of the continuing obligations of SMU; and the Group is entitled to nominate and remove members of the board of directors of SMU in order to control their operating and financial decisions.

As a result of the effects of the Structured Contracts, SMU is accounted for as subsidiary of the Company for accounting purposes.

Further details of the Reorganisation and Structured Contracts are set out in the Company's listing prospectus dated 17 April 2012 (the "Prospectus"). The shares of the Company were listed on the GEM of the Stock Exchange on 27 April 2012.

The principal activity of the Company is investment holding. During the year, the Group was principally engaged in the provision for advertising, public relation and event marketing services in the PRC.

In the opinion of the directors of the Company (the "Directors"), the ultimate holding company of the Company is Lapta International Limited.

2.1 ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Adoption of new/revised IFRSs – effective 1 January 2014

Amendments to IFRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 12 and IAS 27 (2011)	Investment Entities
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The adoption of this new/revised standards and interpretations has no material impact on the Group's financial statements.

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Company's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company.

IFRSs (Amendments)	Annual Improvements 2010–2012 Cycle[2]
IFRSs (Amendments)	Annual Improvements 2011–2013 Cycle[1]
IFRSs (Amendments)	Annual Improvements 2012–2014 Cycle[3]
Amendments to IAS 1	Disclosure Initiative[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IAS 27	Equity Method in Separate Financial Statements[3]
IFRS 9 (2014)	Financial Instruments[5]
IFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2017
5 Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 2010–2012 Cycle, 2011–2013 Cycle and 2012–2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

IFRS 9 (2014) – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

IFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the directors so far concluded that they are not yet in a position to quantify the effects on the Group's consolidated financial statements.

2.2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable IFRSs, International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as the "IFRSs") the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis as explained in the accounting policies set out on note 3.

(c) Functional and presentation currency

The functional currency of the Company is Hong Kong Dollars ("HKD"), while the financial statements are presented in Renminbi ("RMB"). As most of the Group's operations are in the PRC, the directors consider that it will be more appropriate to adopt RMB as the Group's and the Company's presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether "de facto" control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and other parties who hold voting rights;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. The financial statements of the Group's associates are prepared using uniform accounting policies with the Group.

(d) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The depreciation rates, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The depreciation rates are as follows:

Office furniture and equipment	20% per annum
Motor vehicles	7.5–10% per annum

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(f) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses. Amortisation is provided on a straight-line basis over their useful lives as follows:

Customer relationship	5 years
Computer software	5 years

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment of other assets in note 3(h) below).

(g) Lease

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor to sub-lease the leased assets under operating lease, such rentals receivable under the operating leases are credited to the profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentive received from the lessor are charged to the profit or loss on the straight-line basis over the lease terms.

(h) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets with finite lives; and
- interests in subsidiaries and an associate

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(i) Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

The Group's loans and receivables, including trade and bills receivables, deposits and other receivables and cash and cash equivalents are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to clients (trade debtors), and also incorporate other types of contractual monetary asset. At each reporting date subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have had the impairment not been recognised.

(iii) Financial liabilities

The Group's financial liabilities, including trade and bills payables, other payables and accruals, bank borrowing, amount due to an associate and a shareholder. The Group classified them as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value, net of directly attributable costs incurred and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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, the existence of which 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.

(k) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised to other comprehensive income in which case the taxes are also recognised in other comprehensive income.

(l) Employee benefits

(i) Pension schemes

The employees of the Group's subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension schemes.

(ii) Other benefits

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

(m) Government grants

Government grants are recognised 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 revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(n) Foreign currency

Transactions entered into by the Group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

(o) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) Advertising income is recognised upon the publication of the newspapers/magazines/media available to public in which the related advertisement is placed.

(ii) Revenue from provision of public relation services is recognised when the services are rendered.

(iii) Revenue from provision of event marketing services is recognised when the services are provided and the transactions can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group.

(iv) Revenue from sales of newspapers and magazines are recognised upon the delivery of products.

(v) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(p) 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 key management personnel of the Group or the Company's parent.

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

  (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 employees of 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 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 and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Impairment allowances for trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgments. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of each reporting period.

5. SEGMENT REPORTING

The chief operating decision-maker of the Group has been identified as the executive directors of the Company. The executive directors regularly review revenue and operating results derived from provision of advertising services, public relation services and event marketing services on an aggregate basis and consider them as one single operating segment.

No geographical information is presented as the Group's operations are located in the PRC.

Information about major clients

Turnover from clients contributing over 10% of total revenue of the Group is as follows:

	Year ended 31 December							
	2014				2013			
	Advertising income	**Public relation services income**	**Event marketing income**	**Total**	Advertising income	Public relation services income	Event marketing income	Total
	RMB	***RMB***	***RMB***	***RMB***	*RMB*	*RMB*	*RMB*	*RMB*
Client A	**11,107,878**	**27,592,830**	**–**	**38,700,708**	–	–	–	–
Client B	**–**	**–**	**–**	**–**	33,643,026	–	100,000	33,743,026

6. REVENUE AND OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, comprises income from advertising, public relation services and event marketing, net of cultural business development charge. An analysis of revenue and other income and gains is as follows:

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Revenue:		
Advertising income	**191,074,814**	156,868,328
Public relation services income	**81,157,838**	58,390,552
Event marketing income	**35,619,899**	59,795,526
	307,852,551	275,054,406
Less: cultural business development charge	**(3,949,430)**	(3,778,746)
Total	**303,903,121**	271,275,660
Other income and gains:		
Government grants *(note)*	**5,211,561**	1,904,460
Gain on disposal of financial assets at fair value through profit or loss	**1,260,000**	1,477,778
Interest income	**1,121,656**	372,757
Income from issue and distribution of the Group's Publication	**63,889**	61,878
Reversal of impairment loss on trade receivables	**249,961**	–
Others	**1,255**	18,506
Total	**7,908,322**	3,835,379

Note:

The government grants mainly represented supporting funds granted by regional finance bureau for enterprises registered in the region.

7. FINANCE COSTS

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Interest on bank borrowings:		
– wholly repayable within one year	**1,509,246**	1,883,697

8. PROFIT BEFORE INCOME TAX EXPENSE

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

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Depreciation of property, plant and equipment *(note 15)*	**451,244**	327,428
Amortisation of intangible assets *(note 17)*	**1,067,413**	617,738
Minimum lease payments under operating leases for buildings	**4,969,816**	1,158,017
Employee benefit expenses (including directors' remuneration *(note 9)*):		
Wages and salaries	**21,146,974**	12,525,776
Pension scheme contributions	**4,782,790**	3,302,508
	25,929,764	15,828,284
Auditor's remuneration	**994,298**	856,484
Loss on written off/disposal of property, plant and equipment	**167,647**	6,707
(Reversal of)/Impairment loss on trade receivables *(note 20)*	**(249,961)**	376,522

9. DIRECTORS' REMUNERATION

Directors' remuneration paid to each of the directors of the Company are disclosed as follows:

	Fee *RMB*	Salaries, allowances and benefit in kinds *RMB*	Pension scheme contributions *RMB*	Total *RMB*
Year ended 31 December 2014				
Executive directors:				
Mr. Fang Bin	–	486,780	66,012	552,792
Mr. Song Yijun	–	307,017	74,007	381,024
Ms. He Weiqi *(note (a))*	–	307,017	68,750	375,767
Non-executive directors:				
Mr. Fan Youyuan	118,133	–	–	118,133
Mr. Zhou Ruijin	118,133	–	–	118,133
Mr. Lin Zhiming	118,133	–	–	118,133
Ms. Hsu Wai Man, Helen	118,133	–	–	118,133
	472,532	1,100,814	208,769	1,782,115
Year ended 31 December 2013				
Executive directors:				
Mr. Fang Bin	–	180,000	54,410	234,410
Mr. Song Yijun	–	180,000	60,340	240,340
Ms. He Weiqi *(note (a))*	–	180,000	60,340	240,340
Non-executive directors:				
Mr. Fan Youyuan	117,060	–	–	117,060
Mr. Lin Kaiwen *(note (b))*	39,020	–	–	39,020
Mr. Zhou Ruijin	117,060	–	–	117,060
Mr. Lin Zhiming	117,060	–	–	117,060
Ms. Hsu Wai Man, Helen	117,060	–	–	117,060
	507,260	540,000	175,090	1,222,350

Notes:

(a) Ms. He Weiqi resigned as executive director on 20 January 2015.

(b) Mr. Lin Kaiwen resigned as non-executive director on 22 April 2013.

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2014 and 2013.

10. FIVE HIGHEST PAID EMPLOYEES

Of the five highest paid employees in the Group during the year ended 31 December 2014, three (2013: four) were directors of the Company whose emoluments are disclosed in note 9 above.

For the year ended 31 December 2014, details of the remuneration of the remaining two non-director, highest paid employees of the Group are as follows:

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Salaries, allowances and benefits in kinds	**452,408**	108,000
Pension scheme contributions	**96,215**	37,946
	548,623	145,946

During the years ended 31 December 2014 and 2013, no remuneration was paid by the Group to the Directors or any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2014 and 2013.

Taxes on profits assessable in the PRC have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the Corporate Income Tax Law (the "new PRC Tax Law") of the PRC which became effective on 1 January 2008, the PRC corporate income tax rate of all the PRC subsidiaries during the years ended 31 December 2014 and 2013 was 25% on their taxable profits.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Current tax – PRC corporate income tax		
– tax for the year	**15,098,525**	19,418,989
– under provision in respect of prior periods	**–**	44,281
Deferred tax *(note 27)*	**(264,745)**	(154,435)
Income tax expense	**14,833,780**	19,308,835

The income tax expense can be reconciled to the Group's profit before income tax expense per the consolidated statement of profit or loss as follows:

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Profit before income tax expense	**55,857,016**	70,174,343
Tax on profit before income tax expense, calculated at 25%	**13,964,254**	17,543,586
Under provision in respect of prior periods	**–**	44,281
Tax effect of share of results of an associate	**(4,520)**	(3,430)
Tax effect of non-deductible expenses	**1,143,324**	2,286,980
Tax effect of non-taxable income	**–**	(87,105)
Others	**(269,278)**	(475,477)
Income tax expense	**14,833,780**	19,308,835

Pursuant to the new PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

As at 31 December 2014 and 2013, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in the PRC. It is because in the opinion of the Directors, it is not probable that these subsidiaries will distribute their earnings accrued from 1 January 2008 to 31 December 2014 in the foreseeable future. Accordingly no deferred tax liabilities have been recognised as at 31 December 2014 and 2013.

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of RMB1,834,828 (2013: RMB4,376,556).

13. DIVIDENDS

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

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB41,023,236 (2013: RMB50,865,508) and the weighted average number of ordinary shares of 246,810,194 (2013: 225,392,927) in issue during the year ended 31 December 2014.

Diluted earnings per share equals to basic earnings per share, as there were no potential dilutive ordinary shares issued during the years ended 31 December 2014 and 2013.

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Office furniture and equipment *RMB*	Motor vehicles *RMB*	Total *RMB*
31 December 2014			
Cost:			
At 1 January 2014	639,567	1,461,564	2,101,131
Additions	988,003	–	988,003
Disposals	(17,950)	(297,610)	(315,560)
Written off	(19,310)	–	(19,310)
At 31 December 2014	1,590,310	1,163,954	2,754,264
Accumulated depreciation:			
At 1 January 2014	276,559	260,187	536,746
Charge for the year	198,042	253,202	451,244
Eliminated on disposals	(13,766)	(72,235)	(86,001)
Eliminated on written off	(17,602)	–	(17,602)
At 31 December 2014	443,233	441,154	884,387
Net book value:			
At 31 December 2014	1,147,077	722,800	1,869,877
31 December 2013			
Cost:			
At 1 January 2013	815,220	948,900	1,764,120
Additions	133,716	512,664	646,380
Additions through business combination *(note 31)*	55,945	–	55,945
Written off	(365,314)	–	(365,314)
At 31 December 2013	639,567	1,461,564	2,101,131
Accumulated depreciation:			
At 1 January 2013	487,426	80,499	567,925
Charge for the year	147,740	179,688	327,428
Eliminated on written off	(358,607)	–	(358,607)
At 31 December 2013	276,559	260,187	536,746
Net book value:			
At 31 December 2013	363,008	1,201,377	1,564,385

16. GOODWILL

Group

	RMB
At 1 January 2014 and 31 December 2014	156,293,197

Impairment tests for goodwill:

The goodwill is acquired through business combination during the year ended 31 December 2013 (note 31) and it is solely allocated to the cash generating units ("CGU"), namely wireless advertisement business.

The recoverable amounts of the CGU have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period is extrapolated using a zero growth rate.

Discount rate	20%
Gross margin	48%
Growth rate within the five-year period	2%–23%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience and the result of the market research and prediction.

17. INTANGIBLE ASSETS

Group

	Customer relationship *RMB*	Computer software *RMB*	Total *RMB*
31 December 2014			
Cost:			
At 1 January 2014	4,351,600	943,300	5,294,900
Additions	–	126,496	126,496
At 31 December 2014	4,351,600	1,069,796	5,421,396
Accumulated amortisation:			
At 1 January 2014	507,686	110,052	617,738
Charge for the year	870,320	197,093	1,067,413
At 31 December 2014	1,378,006	307,145	1,685,151
Net book value:			
At 31 December 2014	2,973,594	762,651	3,736,245
31 December 2013			
Cost:			
At 1 January 2013	–	–	–
Additions through business combination *(note 31)*	4,351,600	943,300	5,294,900
At 31 December 2014	4,351,600	943,300	5,294,900
Accumulated amortisation:			
At 1 January 2014	–	–	–
Charge for the year	507,686	110,052	617,738
At 31 December 2014	507,686	110,052	617,738
Net book value:			
At 31 December 2014	3,843,914	833,248	4,677,162

18. INVESTMENT IN SUBSIDIARIES

Company

	31 December 2014 RMB	2013 RMB
Unlisted equity investments, at cost	**161,666,679**	161,666,667

The following are the details of the Group's principal subsidiaries at 31 December 2014 that would affect the results for the year or formed a substantial portion of the net assets of the Group. In the opinion of the directors, to give details of the other subsidiaries would result in excessive length.

Name	Place of Incorporation/ establishment	Issued/Registered and paid-up share capital	Attributable equity interests held by the Company Direct	Indirect	Principal activities
Quick Motion International Limited	The British Virgin Islands	1 ordinary share of US$1, unpaid	100%	–	Investment holding
Grand Rapids Mobile International Holdings Ltd.	The British Virgin Islands	1 ordinary share of US$1, unpaid	100%	–	Investment holding
SMU	The PRC	Registered capital RMB2,000,000, fully paid	–	100%	Provision for advertising, public relation and event market services in the PRC
上海三眾廣告有限公司 ("SumZone Advertising")[1]	The PRC	Registered capital RMB5,000,000, fully paid	–	100%	Provision for advertising services in the PRC
上海三眾營銷策劃有限公司 ("SumZone Marketing")[1]	The PRC	Registered capital RMB5,000,000, fully paid	–	100%	Provision for advertising services in the PRC
上海巨流信息科技有限公司 ("Ju Liu Information")	The PRC	Registered capital RMB1,000,000, fully paid	–	100%	Provision for advertising services in the PRC
上海巨流軟件有限公司 ("Ju Liu Software")	The PRC	Registered capital RMB200,000, fully paid	–	100%	Provision for advertising services in the PRC

Note:

1 Registered as a wholly-foreign-owned enterprise under the laws of the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

19. INTERESTS IN AN ASSOCIATE

Group

	31 December **2014** *RMB*	2013 *RMB*
Share of net assets	**1,223,552**	1,205,474

The investment in an associate is unlisted equity interests and details of the Group's associate as at 31 December 2014 are as follows:

Name	Form of business structure	Place of establishment and operation	Paid-up registered capital	Attributable equity interests indirectly held by the Company	Principal activities
上海東上海三眾華納傳媒有限公司 ("East Shanghai SumZone")	Corporation	The PRC	RMB2,000,000	49%	Provision of advertising, consulting and event marketing services

In the opinion of the directors of the Company, the above associate is not material to the Group and the summarised financial information is set out below:

	Year ended 31 December **2014** *RMB*	2013 *RMB*
Profits for the year	**36,894**	28,000
Other comprehensive income	**–**	–
Total comprehensive income	**36,894**	28,000

20. TRADE AND BILLS RECEIVABLES

Group

	31 December **2014** *RMB*	2013 *RMB*
Trade receivables	**137,061,649**	145,784,233
Less: Impairment	**(692,672)**	(1,045,233)
	136,368,977	144,739,000
Bills receivables	**1,460,000**	2,845,340
	137,828,977	147,584,340

The Group's trading terms with its clients are mainly on credit. The credit period is generally 60 days to 330 days. The Group seeks to apply strict control over its outstanding receivables to minimise credit risk. Although the Group's trade receivables relate to a number of clients, however, there is concentration of credit risk. The trade receivables from the five largest debtors as at 31 December 2014 represented 47% (2013: 41%) of total trade receivables, while 23% (2013: 11%) of the total receivables were due from the largest debtor. All the trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of the reporting periods, based on the provision of service date, is as follows:

	31 December	
	2014	2013
	RMB	*RMB*
Not more than 1 month	**24,025,470**	59,390,346
More than 1 month but not more than 3 months	**31,737,276**	39,354,363
More than 3 months but not more than 6 months	**44,533,512**	28,880,052
More than 6 months but not more than 1 year	**34,594,967**	14,571,707
Over 1 year	**1,477,752**	2,539,532
	136,368,977	144,739,000
Bills receivables	**1,460,000**	2,845,340
	137,828,977	147,584,340

The analysis of the Group's trade receivables as at the end of each of the reporting periods, is as follows:

	31 December	
	2014	2013
	RMB	*RMB*
Neither past due nor impaired *(note i)*	**104,130,580**	132,201,619
Past due but not impaired *(note ii):*		
less than 1 month	**11,359,968**	3,393,706
1 to 3 months	**9,776,774**	4,249,737
more than 3 months but less than 12 months	**10,601,655**	4,640,138
more than one year	**500,000**	253,800
	136,368,977	144,739,000

Notes:

(i) The balances that were neither past due nor impaired relate to a wide range of clients for whom there was no recent history of default.

(ii) Receivables that were past due but not impaired relate to a number of independent clients that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The below table reconciled the impairment loss of trade receivables:

	31 December 2014 RMB	2013 RMB
At the beginning of the year	**1,045,233**	668,711
Impairment loss recognised	**–**	376,522
Recovery of impairment loss previously recognised	**(249,961)**	–
Bad debts written off	**(102,600)**	–
At the end of the year	**692,672**	1,045,233

The Group and the Company recognised impairment loss on individual assessment based on the accounting policy stated in note 3(i)(ii).

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	31 December 2014 RMB	2013 RMB
Deposits *(note (a))*	**36,195,571**	761,208
Prepayments *(note (b))*	**65,553,027**	28,456,559
Advance payment for event marketing expenses	**505,118**	827,340
Other receivables	**425,883**	4,056,411
Total	**102,679,599**	34,101,518

Company

	31 December 2014 RMB	2013 RMB
Prepayments	**796,624**	466,435
Other receivables	**25,284**	25,237
	821,908	491,672

Note:

(a) At the end of the reporting period, refundable deposits of RMB35,000,000 in total were paid to three independent third party advertising media or their agents to initiate the negotiations of advertising space contracts for coming year. The balances were refunded subsequent to the reporting period.

(b) At the end of the reporting period, prepayments of RMB62,318,805 (2013: RMB26,653,600) in total were paid to eight (2013: five) independent third party advertising media or their agents for the purchase of advertising space that to be used in the coming one to two years. According to the agreement, prepayments can be used to offset against the advertising cost payable to these agents.

22. BALANCES WITH SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

23. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of RMB93,269,769 (2013: RMB113,593,563) are located in the PRC. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC Government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

24. TRADE PAYABLES

Trade payables are non-interest-bearing. The Group is normally granted with credit terms of about 90–180 days.

An ageing analysis of the Group's trade payables as at the end of each of the reporting periods, based on the date on which service was rendered or product was received, is as follows:

	31 December	
	2014	2013
	RMB	*RMB*
Not more than 1 month	**12,109,175**	10,484,063
More than 1 month but not more than 3 months	**17,542,494**	12,417,105
More than 3 months but not more than 6 months	**13,616,230**	9,238,779
More than 6 months but not more than 1 year	**8,675,585**	5,440,066
Over 1 year	**1,527,652**	1,055,206
	53,471,136	38,635,219

25. RECEIPTS IN ADVANCE, OTHER PAYABLES AND ACCRUALS

Group

	31 December	
	2014	2013
	RMB	*RMB*
Receipts in advance from clients	**18,407,933**	3,831,916
Other payables and accruals *(note)*	**18,846,152**	37,002,072
	37,254,085	40,833,988
Non-current portion	**–**	(10,978,477)
Current portion	**37,254,085**	29,855,511

Company

	31 December	
	2014	2013
	RMB	*RMB*
Other payables and accruals *(note)*	**12,304,494**	24,164,125
Non-current portion	**–**	(10,978,477)
Current portion	**12,304,494**	13,185,648

Note:

The balance included consideration payables of RMB11,250,000 (2013: RMB22,500,000) for the acquisition of a subsidiary (note 31) to be paid during the year ending 31 December 2015 (2013: during the years ending 31 December 2014 and 2015).

26. BANK BORROWINGS

Group

	31 December	
	2014	2013
	RMB	*RMB*
Unsecured interest-bearing loans	**20,000,000**	15,000,000

The unsecured bank borrowings of the Group was guaranteed by the subsidiary of the Group, Shanghai SumZone Enterprise, and repayable within one year. No asset is pledged for the bank borrowing. Interest is charged from 5.0% to 7.2%.

27. DEFERRED TAX LIABILITIES

Group

	Fair value surplus in respect of business combination
	RMB
At 1 January 2013	–
Acquired through business combination *(note 31)*	1,323,725
Credited to profit or loss *(note 11)*	(154,435)
At 31 December 2013 and 1 January 2014	1,169,290
Credited to profit or loss *(note 11)*	(264,745)
At 31 December 2014	904,545

The amount credited to profit or loss is the tax impact of amortisation of intangible assets.

28. SHARE CAPITAL

	Number	RMB
Authorised:		
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	**2,000,000,000**	16,632,421
Issued and fully paid:		
At 1 January 2013	**200,000,000**	1,618,440
Shares issued on acquisition of a subsidiary *(note)*	**46,810,194**	378,297
At 31 December 2013, 1 January 2014 and 31 December 2014	**246,810,194**	1,996,737

Note:

On 17 June 2013, the Company's issued share capital was increased by RMB378,297 through the issue of 46,810,194 shares as part of the consideration to acquire the Grand Rapids Group as set out in note 31. The fair value of the consideration shares as determined by the closing market price of HK$3.084 per share on 17 June 2013 (being date of completion) was RMB116,666,667. The premium on the issue of new shares amounted to RMB115,884,008 was credited to the share premium account after deducting direct issued costs of RMB404,362.

29. RESERVES

Company

	Share premium *(note a)* RMB	**Exchange reserve** *(note b)* RMB	**Accumulated losses** *(note c)* RMB	**Total** RMB
At 1 January 2013	87,125,093	(997,910)	(11,349,874)	74,777,309
Loss for the year	–	–	(4,376,556)	(4,376,556)
Other comprehensive income	–	516,117	–	516,117
Total comprehensive income	–	516,117	(4,376,556)	(3,860,439)
Shares issued on placing, net of expenses *(note 28)*	115,884,008	–	–	115,884,008
At 31 December 2013 and 1 January 2014	203,009,101	(481,793)	(15,726,430)	186,800,878
Loss for the year	–	–	(1,834,828)	(1,834,828)
Other comprehensive income	–	55,139	–	55,139
Total comprehensive income	–	55,139	(1,834,828)	(1,779,689)
At 31 December 2014	203,009,101	(426,654)	(17,561,258)	185,021,189

Notes:

(a) Share premium represents amount subscribed for share capital in excess of par value.

(b) Exchange reserve represents gains/losses arising on retranslating the net assets of foreign operations into presentation currency.

(c) It represents cumulative net gains and losses recognised in profit or loss.

30. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group had the following material related party transactions:

(a) Related party transactions

		Year ended 31 December	
		2014	2013
	Note	***RMB***	*RMB*
Entrustment fee to an associate	(a)	**1,940,000**	1,940,000

Notes:

(a) The entrustment fee was paid/payable by SMU to an associate, East Shanghai SumZone, in relation to the transfer of the entrusted rights of the management of the operations and business of the magazine Shanghai Scene (上海灘) and Shanghai Today (今日上海), which rights were initially granted to East Shanghai SumZone by Shanghai Scene Magazine (上海灘雜誌社) and Shanghai Today Magazine (今日上海雜誌社), respectively.

The above transactions are charged at a pre-determined rate mutually agreed by the parties.

(b) Balances with related parties

The outstanding balances with related parties are set out in note 22 to the consolidated financial statements.

(c) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the executive directors as disclosed in note 9 to the consolidated financial statements and other senior management is as follows:

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Short-term employee benefits	**2,490,042**	1,379,403

31. ACQUISITION OF A SUBSIDIARY

On 17 June 2013, the Group acquired 100% of the equity interest of Grand Rapids Mobile ("Grand Rapids Mobile") International Holdings Ltd. ("Grand Rapids Mobile") and its subsidiaries ("Grand Rapids Group"), who are principally engaged in the provision of wireless advertising and marketing services in the PRC. After the acquisition, the Group places particular emphasis on the expansion of its digital media-based branding business which could benefit the long term development of the Group.

Pursuant to the sales and purchases agreement, the vendor undertakes that the net profit of the Grand Rapids Group in the audited financial statements for the financial years ending 31 December 2013, 2014 and 2015 shall not be less than RMB18,000,000, RMB25,000,000 and RMB32,000,000, respectively ("Warranted Profit"). If there is a shortfall on the Warranted Profit in 2013, 2014 and 2015, there is cash compensation from the vendor to the Company. In the opinion of the directors of the Company, the possibility of Grand Rapids Group that do not meet the Warranted Profit is remote so that there is no contingent assets recognised for the cash compensation.

The fair value of identifiable assets and liabilities of the acquiree as at the date of acquisition were:

	RMB	*RMB*
Property, plant and equipment *(note 15)*	**55,945**	
Intangible assets *(note 17)*	**5,294,900**	
Financial assets at fair value through profit or loss	**6,500,000**	
Trade and bills receivables	**23,936,145**	
Prepayments, deposits and other receivables	**766,873**	
Cash and cash equivalent	**1,271,712**	
Trade and bills payables	**(18,754,899)**	
Other payables and accruals	**(12,373,481)**	
Deferred tax liabilities recognised upon fair value adjustments	**(1,323,725)**	5,373,470
Satisfied by:		
Cash consideration	**22,500,000**	
Cash consideration payable *(note 25)*	**22,500,000**	
Issue of ordinary shares at fair value *(note 28)*	**116,666,667**	161,666,667
Goodwill *(note 16)*		156,293,197
Net cash outflow arising from acquisition:		
Cash consideration paid	**(22,500,000)**	
Cash and cash equivalents acquired	**1,271,712**	
	(21,228,288)	

Since the acquisition date, Grand Rapids Group has contributed RMB56,852,992 and RMB19,902,826 to Group's revenue and profit. If the acquisition had occurred on 1 January 2013, Group's revenue and profit would have been RMB77,293,460 and RMB19,805,071 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 January 2013, nor is it intended to be a projection of future performance.

The acquisition related costs of RMB1,047,321 have been expensed and are included in administrative expenses. The attributable costs of the issuance of the shares of HK$404,362 have been deducted in the share premium.

The goodwill of RMB156,293,197, which is not deductible for tax purposes, comprises the acquired workforce and the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

32. OPERATING LEASE COMMITMENTS

The Group leases certain properties under operating leases. The leases for properties usually run for an initial period of one to seven years. None of the leases includes contingent rentals.

At the end of each reporting period, the total future minimum lease payments under non-cancellable operating leases are payables as follows:

	31 December	
	2014	2013
	RMB	*RMB*
Within one year	**1,498,485**	568,495
In the second to fifth years, inclusive	**10,612,289**	156,996
	12,110,774	725,491

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

Financial assets

The Group's financial assets as at the end of each reporting period which are categorised as loans and receivables are as follows:

Group

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Trade and bills receivables	**137,828,977**	147,584,340
Financial assets included in deposits and other receivables	**37,126,572**	5,644,959
Cash and cash equivalents	**109,623,594**	116,719,309
	284,579,143	269,948,608

Financial liabilities

The Group's financial liabilities as at the end of each reporting period which are categorised as financial liabilities at amortised cost are as follows:

Group

	Year ended 31 December	
	2014	2013
	RMB	*RMB*
Trade and bills payables	**53,471,136**	38,635,219
Financial liabilities included in accrued liabilities and other payables	**18,257,442**	37,002,072
Bank borrowing	**20,000,000**	15,000,000
	91,728,578	90,637,291

34. FINANCIAL RISK, CAPITAL MANAGEMENT AND FAIR VALUE

The Group has various financial assets and liabilities such as trade, bills and other receivables, trade, bills and other payables, balances with a shareholder and an associate and bank borrowing, which arise directly from its operation.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group's monetary assets, liabilities and transactions are principally denominated in RMB, which is the functional currency of the Company except for the cash and bank balances of RMB16,835,016 (2013: RMB3,605,852). It is estimated that upon an appreciation or depreciation of 2% in HKD against RMB, with all other variables held constant, the profit before income tax expense would increase or decrease by RMB336,700 (2013: RMB72,117). The Group currently does not have a foreign currency hedging policy, but management is closely monitoring the Group's foreign exchange exposure.

Credit risk

The most significant financial assets of the Group is trade receivables and other receivables. The Group trades only with recognised and creditworthy clients and the receivable balances are monitored on an ongoing basis and on an individual basis. The Group had a certain degree of concentration of credit risk, details please refer to note 20 and note 21. Given the credit worthiness and reputation of the major debtors, management believes the risk arising from concentration is manageable and not significant.

At the end of the reporting period, the Group has significant refundable deposits of RMB35,000,000 in total to three independent third party advertising media or their agents (note 21 (a)). In the opinion of Directors, the credit risk of these advertising media or their agents is not significant, as they have credit worthiness, reputation and do not have history of default.

The Group is not exposed to significant credit risk in relation to other financial assets such as cash and cash equivalents, as the bank deposits are placed in the bank with high credit-ratings.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash flows from operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The maturity profile of the Group's financial liabilities as at the end of each of the reporting period, based on the contractual undiscounted payments, was less than one year, except for the other payables and accruals of RMB10,978,477 that to be paid in 2015. The discounting impact of the Group's financial liabilities is insignificant.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

Fair value

The carrying amounts of the financial assets and financial liabilities carried at amortised cost, in the consolidated financial statements approximate their fair values due to the relative short term maturity of these financial instruments.

35. SHARE OPTION SCHEME

On 10 April 2012, the Group has adopted the share option scheme (the" Scheme"). The Scheme is for a period of ten years commencing from 10 April 2012 whereby the Directors of the Company at its absolute discretion grant any employee of the Group, director, consultant or adviser of our Group, to take up options to subscribe for shares of the Company. The terms and conditions of the grant were determined by the Directors at the time of grant. The exercisable period of an option was not to exceed a period of ten years commencing on 10 April 2012. The options gave the holder the rights to subscribe for ordinary shares in the Company. A nominal consideration of HK$1 was payable by the grantee upon acceptance of an option. Options were lapsed if the employee leaves the Group.

No share options were granted during the years ended 31 December 2014 and 2013.

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2014, the PRC Government launched various policies to support the cultural industry, which is no doubt a favorable sign to the media industry, indicating that new opportunities will emerge for the media industry.

The Group is a provider of value-added branding services offering one-stop integrated marketing communications services. During the year, in response to the dramatic changes in the media market and the great opportunities brought by the emerging media, especially the wireless media, the Group fully utilized its unique business model encompassing the three existing primary businesses, namely advertising communications, PR communications and event marketing, as the core businesses, and focused on developing the digital marketing business. Currently, the customers of the Group include brands from automobile, home fashion, finance, fast-moving consumer goods and commercial retail sectors, as well as renowned advertising agencies in the PRC. The Group continued to maintain communications with customers with an aim to further explore the needs of the customers. Meanwhile, in order to better fulfill the demands of the customers, the Group placed particular emphasis on developing diversified media network and service resources, including mobile phones (APP, Wechat service account), Internet, outdoor billboards, TV, newspapers and magazines as well as various event venues, among which the integrated service model, which includes digital media (such as network and mobile phones), traditional advertising, PR and event marketing, has been widely accepted by customers.

The table below sets forth the information of income (before deducting cultural business development charge) of the Group:

Items	**2014** ***RMB'000***	2013 *RMB'000*	Year on year change %
Advertising Communications	**191,074.81**	156,868.33	21.81%
PR Communications	**81,157.84**	58,390.55	38.99%
Event Marketing	**35,619.90**	59,795.53	–40.43%
Total	**307,852.55**	275,054.41	11.92%

In 2014, the Group recorded a significant increase in the revenue generated from digital media, which accounted for approximately 57.20% of the total revenue (2013: approximately 44.86%), demonstrating that the Group has successfully transformed into an integrated marketing services provider with digital marketing as its core business.

Items	**2014** ***RMB'000***	2013 *RMB'000*	Year on year change %
Income generated from Digital Marketing	**176,087.03**	123,381.32	42.72%
Attributable Percentage	**57.20%**	44.86%	12.34%

In June 2013, the Group successfully acquired Grand Rapids Mobile, which provides wireless marketing service for customers based on wireless advertising platform. Through this acquisition, the Group's industry chain has been horizontally expanded, further enhancing the overall service capability of the Group.

Through precisely grasping the trends of the mobile industry and meticulous advertising and operation, Shanghai Ju Liu Information Technology Company Limited (上海巨流信息科技有限公司) ("Ju Liu Information"), a subsidiary of Grand Rapids Mobile, has provided large-scale and high quality effect data to customers. Among the mobile Internet suppliers of the same kind, Ju Liu Information has been highly praised by customers for its efficiency and effectiveness, and also generated considerable sales income for the Group. In respect of customer service, in order to cope with the special requirements of major clients, Ju Liu Information established a specialized service model for them. As such, it has gained many stable clients in industry sectors such as automobile, finance and fast-moving consumer goods.

The following table sets forth the information of income of (before deducting cultural business development of group) Grand Rapids Mobile:

Items	**2014**	2013	Year on year change
	RMB'000	*RMB'000*	%
Wireless advertisement sales	**24,066.51**	34,210.90	–29.65%
Wireless advertisement production	**5,099.35**	4,438.31	14.89%
Wireless effect marketing	**68,949.66**	38,644.26	78.42%
Total	**98,115.52**	77,293.47	26.94%

Advertising Communications

At present, the media industry in the PRC has been undergoing major reforms. According to the Group's own development requirements and the current situations, the Group is committed to optimizing its internal media resources, and actively exploring external media resources. During the year, with a view to catering to the trends, the Group has ceased the operation of the publications, namely I home Magazine, Shanghai Today Magazine and Shanghai Scene Magazine. Meanwhile, the Group has arranged for entering into an exclusive management agreement with Shanghai Far Eastern Economic Pictorial (上海《遠東經濟畫報》雜誌社), in which the Group was granted the exclusive editing right and management right for Far Eastern Economic Pictorial – Auto Report (《遠東經濟畫報–車時代報道期刊》). For details of the said exclusive management agreement, please refer to the announcement of the Company dated 31 December 2014.

In respect of the external media resources, the Group has expedited the move and successfully joined forces with local renowned TV channels in Shanghai, famous mobile APP operators and well-known portals in China, and greatly enhanced the impact of brand communications for the clients. Upon the acquisition of Grand Rapids Mobile, the Group has intensified the efforts of mobile media resources development and entered into exclusive advertising agency cooperation with various renowned mobile applications and facilitated the digitalization and mobilization process of advertising business. Furthermore, outdoor billboards were also extended from the initial prime locations in Shanghai to various regions across the country.

Advertising communications business mainly includes self-operated publications, self-operated website www.cnnauto.com, outdoor billboards and other media. As at 31 December 2014, the income generated from the advertising communications business was RMB191,074,814, representing an increase of 21.81% as compared with that for the year ended 31 December 2013, among which the advertising income generated from digital media amounted to RMB100,831,918, representing an increase of 23.67% as compared with that for the year ended 31 December 2013. The main reasons for the increase were: (i) the expansion of media suppliers by the Group to secure a variety of media resources so that its major clients are attracted to place advertisements, leading to a significant growth in advertising communications business of the Group as compared with the corresponding period of last year; (ii) the consolidation of the income of Grand Rapids Mobile into the advertising communications income of the Group as a result of the acquisition of Grand Rapids Mobile completed in June 2013, which helps to boost the income.

PR Communications

PR Communications involve the communications management between our customers and their target consumer groups. Leveraging on the professional operating model, the Group brings much values and benefits to the customers. The Group's PR services focus on providing the clients with tailored PR strategies as well as well-targeted and effective communications solutions. Such services usually include PR consultation, PR communications and media coverage and monitoring. This business can also be divided into traditional PR and electronic public relations ("EPR") depending on the type of media channels.

The Group provides traditional PR services to customers by means of media and copywriter resources throughout the PRC. For EPR, by providing marketing and communications services for customers via digital media, the Group has accumulated extensive digital media resources, including portal-based PR communications, Internet-community-based word-of-mouth communications and the emerging marketing channels of mainstream websites and leading wireless media in China like Sina, Tencent, ifeng, XCAR, Youku, LeTV and iQIYI.

With the rapid development of Wechat communications model, the Group strives to enhance the staff's overall competence on the area of Wechat communications, so as to provide customers with professional, quality, up-to-date communications services. Leveraging on the continuous enhancement of overall planning and design capabilities, the Group not only provides customers with integrated Wechat communications services such as graphic, dynamic games and interactive APPs, but also integrates high quality communications effects created from Wechat videos and cartoon insertions into customers' communications package, which are well received by customers. With these efforts, the penetration of digital communications model took a major leap forward.

For the year ended 31 December 2014, the PR communications income was RMB81,157,838, representing an increase of 38.99% as compared with that for the year ended 31 December 2013, among which the income generated from EPR business amounted to RMB75,255,118, representing an increase of 79.84% as compared with that for the year ended 31 December 2013. Such increase was mainly attributable to the Group's positioning of its digital marketing business as the key sector for business development. Given the continuous expansion of the Group's EPR business resources and the remarkable results of business communications, the service was widely recognized by customers. As such, the major clients of the Group increased their respective budgets, which in turn increased the overall business revenue of PR communications.

Event Marketing

As another important part of the Group's integrated marketing communications services, apart from organizing and implementing activities, such as conventions, exhibitions, forums and celebration activities, films implantation and test drive, for the Group's clients as usual, the Group has also introduced new service model this year to increase potential consumers' awareness of the clients' brands.

During the year, the Group has successfully organized and implemented a complete package of online and offline integrated marketing services, which allows clients to approach potential customers offline without barriers with complementary interactive online marketing services. It aims at delivering the clients' brand and product information precisely to their target groups to achieve the effect of the experienced model of marketing.

Furthermore, through the integration of horizontal cross-sector resources, the Group has precisely positioned the goal of event marketing at the target groups with purchasing power. The power of cross-sector is to achieve cross interactive marketing, and at the same time, to instill the target groups with a brand new lifestyle and aestheticism. For a brand, the most significant benefit is to allow products in different areas to mix and match, to infiltrate and converge, to create a solid and more in-depth influencing power for the brand. During the year, the Group organized and implemented a cross-sector integrated brand marketing campaign associated with art for high-end automobile client, building up a model marketing case of "Art of Cross-sector, Cross-sector of Art (跨界是藝術，藝術需跨界)" and fulfilling the goal of marketing principles, which is to disseminate accurately by rapid and intensified means.

Moreover, the Group also provides new customized service model for high-end automobile customers by kicking off the 'City Car Showroom'. Such service was simplified and optimized on the basis of automobile 4S shop with an aim to make the showroom as the communications portals of customers' products and was set up in areas with concentration of high-end consumers. Integrating car exhibitions into high quality shopping environment of life will provide a unique vehicle for car sales such that the commercial retail space and automakers jointly present a well-positioned platform integrating brands' exhibitions and sales. The experience of the inspiration power in the showrooms enables the target groups with purchasing power to access the automobile products directly, and hence enhance the purchasing desires among the automobile consumer groups. In addition, the Group had, at the same time, launched the self-operated Wechat service account, namely 'City Car Showroom', to serve the target customers precisely via mobile Internet marketing.

The event marketing income for the year ended 31 December 2014 was RMB35,619,899 as compared with the event marketing income of RMB59,795,526 for the year ended 31 December 2013. Such decrease was mainly due to the communications impacts from the emerging media which led to the tightening of budgets for the event marketing by the major customers of the Group as they adjusted the marketing strategies.

Acquisition

On 19 April 2013, the Company entered into an agreement with Always Bright Enterprises Limited ("Always Bright Enterprises") and Mr. Huang Wei, pursuant to which Always Bright Enterprises agreed to transfer its entire issued share capital in Grand Rapids Mobile to the Company, and the consideration would be paid by Company by way of cash and issue of consideration shares in several tranches (the "Acquisition"). The warranted profit and payment method pursuant to the Agreement are as follows:

Year	**Warranted Profit**	**Payment of Cash Consideration**	**Payment of Share Consideration**
	RMB	*HKD*	*Share*
Fulfillment of Precedent Conditions in the Agreement		27,841,366	–
2013	18,000,000	13,920,683	6,018,454
2014	25,000,000	13,920,683	17,275,191

As Always Bright Enterprises has fulfilled the profit guarantee obligations for the financial year ended 31 December 2013, the Company has settled the cash consideration payment amounting to HKD 13,920,683 in June 2014 and has released 6,018,454 shares of the Company in the same month pursuant to the relevant agreement.

Up to the date of this announcement, Always Bright Enterprises has fulfilled the profit guarantee obligations for the financial year ended 31 December 2014. As such, the Company will arrange relevant cash and share considerations for the payment of the third tranche of the consideration for the Acquisition according to the relevant agreement.

Ju Liu Information is a subsidiary of Grand Rapids Mobile. It provides wireless marketing services to brand owners based on its wireless advertising platform, and mainly engaged in wireless advertisement sales, wireless advertisement production and wireless effect marketing. The customers of Ju Liu Information are mainly well-known enterprises and advertising agencies in the PRC. According to the statistics, Ju Liu Information provides services to 60 brands as at 2014, of which 18 are new brand clients acquired during the year, including renowned brands in the automobile and fast-moving consumer goods sectors. Moreover, through its own efforts, Ju Liu Information has accumulated experiences in building of industry model and innovation. Specifically, by deeply understanding the needs of customers, Ju Liu Information achieved satisfactory result in customer development and major clients services in the area of automobile industry. Through continuous exploration, it obtained a clearer vision of the service model and profitability for the finance industry, which in turn attracts lots of financial customers to place orders on an on-going basis. For the services towards the fast-moving consumer goods sector, the Group has preliminarily adopted the mobile O2O model, which has been well received by customers and enables the Group to be the designated sole mobile Internet partner of Lipton's client (立頓客戶).

In May 2014, Shanghai Ju Liu Software Company Limited (上海巨流軟件有限公司) ("Ju Liu Software") was jointly established by 上海有熊企業管理咨詢有限公司 (Shanghai You Xiong Enterprises Management Consultancy Company Limited) ("Shanghai You Xiong"), a subsidiary of Grand Rapids Mobile (巨流無線) and Ju Liu Information. As the sole supplier of Ju Liu Information, Ju Liu Software operates and processes all businesses taken up by Ju Liu Information. The establishment of Ju Liu Software, with the support of state policies, will further enlarge the research and development of software platform, which helps to promote the transformation of the Group into a platform-based, product-based company and gradually increase long-term profitability. Also, as a member of the Group, it will also assist the Group's sustainable development in the long run.

FUTURE PROSPECTS

The model of economic growth of China has been transformed from investment-driven to consumption-driven. As such, the marketing mode has also changed in nature. The model of marketing in the future will be precise marketing with interactive elements instead of being one-way information dissemination. In order to cope with the current trend, the Group makes the following plans:

Firstly, based on the existing foundation, the Group will further expand the customer base, deeply explore the needs of customers and cater to the development trends of the industry to formulate one-stop integrated marketing strategies for customers, with which the income scale of the customers will continue to grow through cross-marketing. In addition, the Group plans to increase its contact with the customers in the travel industry in 2015 in order to further promote the diversification of the customer base.

Secondly, the Group will continue to increase service resources and actively explore and develop quality media and media products. In particular, the Group will emphasize on enhancing the exploration of the mainstream digital media (in particular, mobile media) resources. The Group strives to provide integrated marketing service by a wide variety of media so as to attract customers and increase the income.

Furthermore, the Group intends to set up a team for product research and development and further expand the EPR team and recruit more talents so as to increase the professional level and service capability, expand the portfolio of marketing products and reinforce the strength of marketing techniques. It aims at establishing a standardized and systematic marketing team to create a solid foundation with the necessary talents in order to capture opportunities in the industry.

Lastly, the Group will continue to explore suitable locations to establish office so as to better serve the customers.

FINANCIAL OVERVIEW

The Group recorded total revenue of RMB303,903,121 for the year ended 31 December 2014, representing an increase of approximately 12.03% or RMB32,627,461 from RMB271,275,660 for the year ended 31 December 2013. The total gross profit of the Group was RMB82,997,959 for the year ended 31 December 2014, representing a decrease of approximately 8.45% from RMB90,660,474 for the year ended 31 December 2013. The gross profit margin decreased to approximately 27.31% in the year ended 31 December 2014 from 33.42% in the year ended 31 December 2013. The net profit of the Group for the year ended 31 December 2014 decreased from RMB50,865,508 for the the year ended 31 December 2013 to RMB41,023,236, while the net profit margin of the Group for the year ended 31 December 2014 decreased from 18.75% in the year ended 31 December 2013 to 13.5%. Earnings per share of the Group for the year ended 31 December 2014 was RMB16.62 cents.

Other Income and Gains

Other income and gains increased from RMB3,835,379 for the year ended 31 December 2013 to RMB7,908,322 for the year ended 31 December 2014. Other income and gains mainly included the income from issuing self-operated publications, interest income, trusted asset finance income and financial subsidy income. Among other things, the Group entered into an asset management agreement with a bank and an asset management company in relation to entrustment of assets amounting to RMB30,000,000 with fixed interest amounting to RMB1,260,000. Subsidy income included financial subsidies granted by the national government authorities to subsidiaries of the Group. During the year ended 31 December 2014, the Group received supporting funds for enterprises amounting to RMB4,411,561.

Cost of Sales and Gross Profit

For the year ended 31 December 2014, the key components of the Group's cost of sales mainly comprised content production, printing and distribution costs of the self-operated publications, operating costs of the self-operated website www.cnnauto.com, expenses for procuring advertising space, event organising and production costs as well as salaries and other staff costs paid to sales and marketing and strategic, creative and execution staff. The Group's cost of sales for the year ended 31 December 2014 amounted to RMB220,905,162, representing an increase of 22.31% or RMB40,289,976 as compared with RMB180,615,186 for the year ended 31 December 2013. Such increase was mainly due to (i) the increase in relevant costs as a result of an increase in income from some businesses of the Group during the year ended 31 December 2014; and (ii) active exploration of external excellent media resources by the Group and the increase of purchasing media resources, in order to capture more business opportunities.

For the year ended 31 December 2014, the Group achieved a gross profit of RMB82,997,959, representing a decrease of 8.45% or RMB7,662,515 as compared with RMB90,660,474 for the year ended 31 December 2013. The Group's gross profit margin decreased from 33.42% for the year ended 31 December 2013 to 27.31% for the year ended 31 December 2014. The decrease in our gross profit margin was primarily due to (i) the increase of media operating cost of traditional media; and (ii) recruitment of digital marketing talents in an effort to strengthen digital marketing business, which increased the budget of labor costs and resulted in a drop in gross profit margin.

Selling and Distribution Expenses

Selling and distribution expenses for the year ended 31 December 2014 amounted to RMB5,074,735, representing an increase of 14.05% as compared with RMB4,449,755 for the year ended 31 December 2013. The increase was due to (i) recruitment of high caliber personnels to cope with the Group's business development which led to an increase in salaries compared with the previous years; and (ii) the fact that the acquisition of Ju Liu Information was completed in June 2013, the data for 2013 only included the fees incurred by Ju Liu Information from June to December, while the data for 2014 included the fees incurred by Ju Liu Information throughout the year.

Administrative and Other Expenses

Administrative and other expenses for the year ended 31 December 2014 increased by RMB10,481,584 to RMB28,483,362 as compared with that of the year ended 31 December 2013. Such increase was mainly due to (i) the fact that the acquisition of Ju Liu Information was completed in June 2013, the data for 2013 only included the fees incurred by Ju Liu Information from June to December, while the data for 2014 included the fees incurred by Ju Liu Information throughout the year; (ii) the adjustment of executive Directors' remuneration which led to an increase in expenses; (iii) the increase of salaries resulting from recruitment of high caliber personnels to improve internal management quality; and (iv) the amortisation of intangible assets (including but not limited to software) arising from the acquisition of Ju Liu Information which caused an increase in amortisation charges.

Human Resources

As at 31 December 2014, the Group had 208 employees in total, 71 of which are Ju Liu Information's employees. The Group's remuneration policy is formulated based on industry practices and the performance of individual employees. During the year ended 31 December 2014, the total staff cost was approximately RMB25,929,764 (for the year ended 31 December 2013: RMB15,828,284). The rise in human resource costs was due to: (i) the fact that the acquisition of Ju Liu Information was completed in June 2013, the data for 2013 only included the labor costs of Ju Liu Information incurred from June to December, while the data for 2014 included the labor costs of Ju Liu Information incurred throughout the year; (ii) the adjustment of executive Directors' remuneration which led to an increase in expenses; and (iii) recruitment of high caliber personnels to meet the needs of business development and internal management, which led to an increase in salaries.

Capital Resources and Liquidity

As at 31 December 2014, the total equity attributable to the Group's shareholders was RMB395,750,488 including statutory reserves of RMB6,656,398. The Group continued to maintain a strong financial position with cash and bank balances amounting to RMB109,623,594. The Group's working capital was RMB233,532,162. Based on the Group's steady cash inflow from operations, together with its existing cash and bank balances on hand and bank facilities available to the Group, the Group has adequate financial resources to fund the working capital required for its development plan in the coming year.

During the year ended 31 December 2014, the Group's cash and bank balances were denominated in RMB or Hong Kong dollars and placed in reputable financial institutions as deposits with maturity dates falling within one year. This is in line with the Group's treasury policy to maintain liquidity of its funds and will continue to contribute stable income to the Group.

As at 31 December 2014, the Group entered into a loan agreement with a bank for a loan of RMB20,000,000 (the "Loan"). The Loan was unsecured with fixed monthly interests of 0.504%. It is guaranteed by the subsidiary of the Group, 上海三眾企業管理諮詢有限公司 (Shanghai SumZone Enterprise Management Consultancy Company Limited), and is repayable within a year. No asset is pledged.

On 13 May 2014, Shanghai SumZone Advertising Company Limited (上海三眾廣告有限公司) ("SumZone Advertising"), a subsidiary of the Company, as the asset investor entered into an asset management agreement (the "Asset Management Agreement") with Wanjia Gongying Asset Management Company Limited (萬家共贏資產管理有限公司) ("Wanjia Gongying") as the asset manager and the bank as the custodian in relation to a fixed income investment plan regarding the investment and management of the entrusted assets. Under the terms of the Asset Management Agreement, SumZone Advertising entrusted surplus cash generated from the ordinary and usual course of business of the Group amounting to RMB30,000,000 in the entrusted assets for management by the asset manager. The Asset Management Agreement was terminated on 18 December 2014. For the year ended 31 December 2014, SumZone Advertising had recovered all the entrusted assets and interest of RMB30,000,000 and RMB1,260,000, respectively. For details of the Asset Management Agreement, please refer to the announcement of the Company dated 12 September 2014.

Gearing Ratio

The gearing ratio, defined as the ratio of total liabilities less cash and bank balances to total assets, was 0.02 and –0.02 as at 31 December 2014 and 2013, respectively.

Financial Policies

It is the Group's treasury management policy not to engage in any investments or speculative derivative instruments with high risks. During the year ended 31 December 2014, the Group continued to adopt a conservative approach in financial risk management. Most of the assets, receipts and payments of the Group are denominated in RMB.

Charge on the Group's Assets

As at 31 December 2014, the Group had no assets pledged to any financial institutions.

Contingent Liabilities

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

Foreign Exchange Risk

The Group mainly operates in the PRC with most of its transactions settled in Renminbi. Some of the Group's bank deposits are denominated in Hong Kong dollars. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the year ended 31 December 2014, the risks associated with foreign currency exchange rates have no significant impact on the business performance of the Group.

Use of Net Proceeds From the Placing

The shares of the Company were listed on the GEM of the Stock Exchange on 27 April 2012, and the proceeds from the Placing (as defined in the prospectus of the Company dated 17 April 2012 (the"Prospectus")) were approximately RMB75,300,500.

According to the future operation plan of the Group set out in the Prospectus, the Group's actual business progress and use of proceeds for the year ended 31 December 2014 were as follows:

	Business targets for the year ended 31 December 2014	**Actual business progress for the year ended 31 December 2014**	**Use of proceeds from the Placing for the year ended 31 December 2014** *RMB*
Expansion of our professional team	• To continue to serve existing clients and generate more revenue	• The Group continued to implement integrated marketing communication strategy by expanding the income scale of existing customers through cross-marketing.	4,732,850.00
	• To secure at least one new client from the financial industry, which is expected to contribute revenue of more than RMB1 million to the Group annually	• The Group secured 2 clients from the financial industry. Given that the cooperation between the Group and the aforesaid clients is in the early stage, the revenue at present is RMB865,600.	0
	• To secure new clients from travel industry and luxury items industry	• The Group is currently involved in the automobile, home fashion, financial and fast-moving consumer goods industry. The Group will continue to explore and optimize the customer resources and will further promote the diversification of the customer base.	0

	Business targets for the year ended 31 December 2014	Actual business progress for the year ended 31 December 2014	Use of proceeds from the Placing for the year ended 31 December 2014 *RMB*
Expansion of digital marketing platform	• To increase revenue from both self-operated and other digital media platform	• The Group actively expanded the digital marketing platform, joined forces with domestic well-known news mobile media and various automobile media respectively, strengthened the advantages of the Group's resources effectively and gained a considerable amount of revenue during the year.	8,172,023.22
	• To generate more revenue from the Group's database marketing Business	• A subsidiary of the Group relied on its commercial mobile platform to further expand the service volume and consolidate the mobile marketing service capability.	0
	• To secure more Internet advertising business and continue to expand our EPR operation and generate more revenue from digital marketing	• In order to serve our customers better, the Group actively expanded network resources and gained benefit from cooperation with current popular portals, video websites, news websites.	334,000.00
	• To continue to enhance the influence and popularity of our self-operated digital media	• The Group continuously enhances the servicing capability of digital media department to provide better service to the customers.	0
	• To create new digital media platforms and products and enhance our service model in light of the prevailing market	• The Group established and operated dedicated Wechat service account to share the successful cases of the Group and help brands to carry out online marketing.	0
Expansion of geographic coverage	• To establish Fuzhou, Chengdu and Xi'an offices	• Offices have been set up in Beijing and Chongqing. The Group will continue to explore other locations to establish offices in order to better serve the customers.	0

The business targets which have not been accomplished for the period from the Listing Date to 30 June 2014, together with their status as at 31 December 2014 are set out in the following table in detail.

Business targets which have not been accomplished for the period from the Listing Date to 30 June 2014	Completion status as at 31 December 2014
To establish a new media covering the travel industry	Not completed. The Group plans to deepen contact with the customers in the travel industry in 2015, and the establishment of a new media covering the travel industry will be considered at the discretion of the Group in accordance with the progress of the business.
To secure at least one new client from the travel industry	The Group plans to deepen contact with the customers in the travel industry in 2015 and secure new clients in this industry in the current year and the years thereafter.
To research and develop the mobile version for the SMU Publications	The Group will commence the research and development in due course according to the market demand in the future.
To establish Nanjing, Tianjin and Guangzhou offices	Offices have been set up in Beijing and Chongqing. The Group will continue to explore other locations to establish offices in order to better serve the customers.
To secure new clients from the travel industry and luxury items industry	Not completed. The Group plans to deepen contact with the customers in the travel industry in 2015 and secure new clients in this industry in the current year and the years afterwards.

Use of proceeds from the Placing up to 31 December 2014 is set out in the following table in detail.

Use of proceeds from the Placing	Amount planned to be used	From the Listing Date to 31 December 2014 Amount planned to be used	Actual amount used
		Equivalent to	
	HK$'000	*RMB'000*	*RMB'000*
Introduction of new media in relation to new industries	**3,800**	**3,010.36**	**862.40**
Expansion of professional team	**7,350**	**5,822.67**	**8,554.06**
Expansion of digital marketing platform	**8,550**	**6,773.31**	**13,184.03**
Expansion of geographical scope	**6,900**	**5,466.18**	**–**
Mergers and acquisitions	**38,500**	**30,499.70**	**45,000.00**
Total	**65,100**	**51,572.22**	**67,600.49**

Operation of self-operated publications

On 18 August 2014, Shanghai SumZone Media Investment Management Company Limited (上海三眾華納傳媒投資管理有限公司) ("SMU") entered into a supplemental agreement with Shanghai East Shanghai SumZone Media Company Limited (上海東上海三眾華納傳媒有限公司) in relation to Shanghai Today, Shanghai Scene, I home and Auto Report (the "Magazines"), pursuant to which the expiry date of the entrustment period of the operation and management of the Magazines was changed to 31 December 2014 from 31 May 2038. For details of the said supplemental agreement, please refer to the announcement of the Company dated 18 August 2014.

On 31 December 2014, SMU entered into an exclusive management agreement with Shanghai Far Eastern Economic Pictorial (上海《遠東經濟畫報》雜誌社) (the "Publisher"), pursuant to which the Publisher agreed to grant to SMU the exclusive editing right and management right to operate the business of one of its publication, namely "Far Eastern Economic Pictorial – Auto Report" (《遠東經濟畫報》–車時代報道期刊) ("Auto Report") in the PRC for a term of 10 years commencing from 1 January 2015 and ending on 31 December 2024 (the "Exclusive Management Agreement"). The scope of management includes printing business, publishing and advertising business, investment and finance business, brand promoting and maintenance business, launching of related products of the periodicals and related matters. SMU is entitled to all the revenue and shall bear all the expenses arising from the management of Auto Report. SMU has the pre-emptive right to renew such management right before the expiry of the Exclusive Management Agreement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining sound corporate governance standards and procedures to ensure the timeliness, transparency and completeness of its information disclosure, and strives to achieve a more standardized operational and effective management, so as to safeguard investors' interests as a whole to the greatest extent. The Board is delegated with the corporate governance functions under code provision D.3.1 of the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules. Save for the deviation below, the Directors consider that the Company has complied with all the code provisions of the CG Code during the period from 1 January 2014 to 31 December 2014 (the "Review Period").

Under code provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its Directors. The Company had arranged such insurance cover for the Directors on 4 May 2014 and organized training for the Directors and internal staff of the Company during the Review Period.

The Company is committed to maintaining a high standard of corporate governance practices. The Company will continue to review its corporate governance practices from time to time in respect of the code provisions as set out in the CG Code and follow-up examination would be undertaken by the Group's internal audit department in order to enhance its corporate governance standards, comply with increasingly stringent regulatory requirements and meet the growing expectations of investors.

BOARD OF DIRECTORS

The Board has the responsibility of setting the general strategy of the Group, supervising the results of performance of the Group, approving operating plans and investment proposals. The Board has authorized the management or senior management who are responsible for each business and function to handle the daily operation and day-to-day management affairs of the Group and report to the Board from time to time.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE

Mr. Fang Bin is the chairman of the Board of the Company and responsible for leading the Board to operate effectively, ensuring the Board handles key affairs in a timely manner, as well as setting up the general business strategies for the Group.

The Company has not appointed a chief executive. The roles and responsibilities of a chief executive have been divided among Mr. Fang Bin, Mr. Patrick Zheng and Mr. Song Yijun. Mr. Fang Bin is the general manager of the Company and is responsible for formulating day-to-day management strategies. Mr. Patrick Zheng is the chief strategic officer of the Company and mainly responsible for expanding the merger and acquisition business and matters related to capital market operation. Mr. Song Yijun is the deputy general manager of the Company and assists the Board to improve corporate governance, compliance management and information disclosure of the capital market. The Company considers that Mr. Fang together with Mr. Zheng and Mr. Song shall be regarded as the "chief executive" as defined under the GEM Listing Rules and they are jointly responsible under the immediate authority of the Board for the conduct of the business of the Group.

The Company considers that there is a clear division of the duties and responsibilities of the chairman of the Board and the chief executive. There is no relationship in respect of any financial, business, family or other material relevant aspects among members of the Board. All of them are free to exercise their independent judgment.

COMPOSITION OF THE BOARD

As at the date of this announcement, the Board comprised eight Directors, four of which are executive Directors (Mr. Fang Bin is the chairman of the Board and Mr. Patrick Zheng, Mr. Huang Wei and Mr. Song Yijun are the executive Directors), one of them is non-executive Director (Mr. Fan Youyuan) and three of which are independent non-executive Directors (Mr. Zhou Ruijin, Mr. Lin Zhiming and Ms. Hsu Wai Man, Helen).

Mr. Fan Youyuan, a non-executive Director, has entered into a service contract with the Company as a non-executive Director for a term of three years commencing from 27 April 2012 subject to retirement and re-election at the annual general meeting of the Company.

Each of Mr. Zhou Ruijin, Mr. Lin Zhiming and Ms. Hsu Wai Man, Helen, all being independent non-executive Directors, has entered into a service contract with the Company for a term of three years commencing from 27 April 2012 subject to retirement and re-election at the annual general meeting of the Company.

All Directors (including non-executive Directors) have clear terms of appointment. The independent non-executive Directors are persons with academic and professional qualifications. The Company has received from each of the independent non-executive Directors an annual independence confirmation under Rule 5.09 of the GEM Listing Rules, and considers that all the independent non-executive Directors are independent.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry with all the Directors, each of the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding Director's securities transactions during the Review Period.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the accounts of the Company. As at 31 December 2014, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors regarding their financial reporting are set out in the independent auditor's report attached to the financial statements of the Company for the year ended 31 December 2014.

BOARD MEETING

The Company convened meetings for the Board and board committees in accordance with the requirements of the GEM Listing Rules and the articles of association of the Company. During the Review Period, the attendance of each Director in meetings for the Board and the board committees, general meetings is as follows:

	The Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors					
Fang Bin	7/8	/	/	/	1/1
Song Yijun	7/8	/	/	/	1/1
He Weiqi *(resigned on 20 January 2015)*	7/8	/	/	/	1/1
Patrick Zheng *(Note 1)*					
Huang Wei *(Note 1)*					
Non-executive Director					
Fan Youyuan	4/8	/	/	/	1/1
Independent non-executive Directors					
Zhou Ruijin	8/8	4/5	2/2	1/1	1/1
Lin Zhiming	8/8	5/5	2/2	1/1	1/1
Hsu Wai Man, Helen	8/8	5/5	2/2	1/1	1/1

Note 1: Mr. Patrick Zheng and Mr. Huang Wei have been appointed as the executive Directors on 20 January 2015.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Company regularly dispatches a directors' management list which contains the primary business and financial conditions of the Company to the Directors in each month, with a purpose of enhancing their comprehensive understanding of the Company. At the same time, the Company also continues to make announcements to the Directors regarding the updates of the GEM Listing Rules and other relevant information about corporate governance and Directors' responsibilities, and arranges relevant trainings to ensure that the Directors have the knowledge in respect of their responsibilities under the relevant laws and regulations. The Company also encourages all Directors to participate in continuous professional development so that they would be able to develop and update their knowledge and skills, and thus ensure that their contribution to the Board is made under complete information and with relevance to their needs.

During the Review Period, the Directors were involved in several trainings including:

1. participation in trainings and/or seminars in respect of the industries, businesses, Directors' responsibilities and/or corporate governance related to the Company;

2. reading materials in respect of the industries, businesses, Directors' responsibilities and/or corporate governance related to the Company; and/or reading the updated information issued by the Company regularly;

3. participation in trainings and reading materials in relation to their respective professional knowledge and skills.

BOARD COMMITTEES

As an important component of sound corporate governance practices and to oversee the general affairs of the Company in each aspect as well as to assist the Board to perform its duties, the Board had set up three board committees, which are Audit Committee, Remuneration Committee and Nomination Committee. The members of each of the committees are independent non-executive Directors to ensure that independent and objective opinions could be sufficiently expressed and serve the role of inspection and supervision.

The list of members and terms of reference of each of the board committees are disclosed on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee has 3 members, comprising Ms. Hsu Wai Man, Helen, Mr. Lin Zhiming and Mr. Zhou Ruijin (all being independent non-executive Directors). This committee is chaired by Ms. Hsu Wai Man, Helen.

The primary duties of the Audit Committee are, amongst other things: to monitor, review the financial reports and provide advice in respect of financial reporting; to make recommendations to the Board on the appointment, reappointment and removal of external auditors; and to oversee internal control procedures of the Company.

During the Review Period, the Audit Committee had held 5 meetings to review the 2013 annual results and report, the 2014 first quarterly results announcement and report, the 2014 interim results announcement and report, the 2014 third quarterly results announcement and report of the Group and to meet with external auditors.

The Audit Committee had reviewed the audited financial statements, annual results announcement and report of the Group for the year ended 31 December 2014 and had submitted the same to the Board for approval. Members of the Audit Committee were of the opinion that the preparation of such results and report complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosure had been made.

REMUNERATION COMMITTEE

The Remuneration Committee has 3 members, comprising Mr. Zhou Ruijin, Ms. Hsu Wai Man, Helen and Mr. Lin Zhiming (all being independent non-executive Directors). This committee is chaired by Mr. Zhou Ruijin.

The main duties of the Remuneration Committee are, among other matters, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company; and to ensure none of the Directors determine their own remuneration.

The goal of developing staff remuneration packages is to enable the Company to motivate executive Directors and senior management by linking their remuneration to the Company's operating results, individual performances and comparable market rates.

The Remuneration Committee held 2 meetings during the Review Period, and had reviewed the following matters:

(1) the overall remuneration policy and structure relating to Directors and senior management of the Company;

(2) specific remuneration packages of all executive directors and senior management of the Company, including non-monetary interests, pension right and compensation amount (including compensation of loss or termination of duty or engagement); and

(3) the performance of the Directors during their terms of office.

NOMINATION COMMITTEE

The Nomination Committee has 3 members, comprising Mr. Zhou Ruijin, Mr. Lin Zhiming and Ms. Hsu Wai Man, Helen (all being independent non-executive Directors). This committee is chaired by Mr. Zhou Ruijin.

The primary function of the Nomination Committee is to make recommendations to the Board regarding the appointment of Directors and candidates to fill vacancies of the Board.

The Nomination Committee held 1 meeting during the Review Period. At the meeting, the Nomination Committee had reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, assessed the independence of the independent non-executive Directors and reviewed the qualifications of the proposed Directors to be re-elected at the annual general meeting of the Company.

Furthermore, the Group had developed policies in relation to the diversity of the members of the Board and the summary of those policies is as follows:

(1) selection of Board members will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and

(2) the Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure the effectiveness of the diversity policy.

SENIOR MANAGEMENT'S REMUNERATION

The remuneration payment of the senior management of the Group (excluding the Directors) in the year ended 31 December 2014 falls within the following band:

Remuneration amount	Number of individual
RMB180,000 to RMB300,000	
The remuneration includes salaries and pension scheme contributions	6

AUDITOR'S REMUNERATION

During the Review Period, the fees payable to the Company's external auditor, BDO Limited, for the audit and non-audit services of HK$1,450,000 are set out as follows:

Services rendered	Fees paid/payable HKD
The audit of financial statements for the year ended 31 December 2014	1,150,000
Non-audit services	300,000

INTERNAL CONTROLS

The Board is solely responsible for maintaining sound and effective internal controls of the Group so as to safeguard the assets of the Group against unauthorized use or disposal, keep appropriate accounting records for the provision of reliable financial information to be used or published within the scope of business, and ensure the compliance with applicable laws and requirements.

The Board had reviewed the internal control system for the year ended 31 December 2014 through the Audit Committee, the management of the Company, the internal audit department of the Company and external auditors. Such review covers all the important aspects of controls, including financial control, operating control, compliance control and functions of risk management, and the primary control measures adopted are summarized as follows:

1. optimizing guidelines for corporate governance. Such guidelines are a combination of the actual situation of the Company, detailed scopes, authority and procedures of governance so as to further standardize the decisions made by the Company;

2. enhancement of internal control assessment. The internal audit department of the Company had conducted special reviews on risk management, capital management, procurement management and human resources management during the Review Period, and proposed improvement advice on preventing material internal control risks;

3. optimization of a work mechanism for the internal audit department to report to the Audit Committee regularly in order to enhance the supervision and review on the important operating issues of the Group by the Audit Committee.

COMPANY SECRETARY

Mr. Tam Tak Kei, Raymond (CPA) is the company secretary of the Company. Mr. Tam Tak Kei, Raymond had satisfied the requirements in respect of receiving professional training under Rule 5.15 of the GEM Listing Rules.

INVESTORS RELATIONS

The Company endeavors to develop and maintain continuing relationships and effective communications with the shareholders of the Company and investors. We convey information to shareholders and investment community primarily through the financial reports of the Company, annual general meeting and other general meetings that may be held, as well as the provision of all the disclosable information which had been submitted to the Stock Exchange and other information published on the website of the Company. Since the Listing Date and during the year ended 31 December 2014, there was no material change in the articles of association of the Company.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meetings

Pursuant to article 64 of the articles of association of the Company, any shareholder holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting forward proposals at general meetings by shareholders

Pursuant to article 113 of the articles of association of the Company, no person (other than a retiring Director) shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for shareholders of the Company to propose a person for election as a Director is posted on the website of the Company.

Enquiries to the Board

Shareholders could direct their questions about their shareholdings to the Company's share registrar in Hong Kong, Tricor Investor Services Limited. The investment community may at any time make a request for the Company's information to the extent such information is publicly available and we would provide designated contacts, email addresses and hotline of the Company in order to enable them to make any query in respect of the Company.

Shareholders and potential investors are welcome to communicate with the Company by email at ir@brandingchinagroup.com or telephone at +86 21 64861277. Shareholders may also put forward their written enquiries to the Board at No. 54 Shaoxing Road, Huangpu District, Postal Code-200020, Shanghai, PRC (Attention: the Board of Directors).

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2014 and the state of affairs of the Company and the Group as at that date are set out in the consolidated statement of changes in equity.

The Board does not recommend the payment of any final dividend for the year ended 31 December 2014.

SUMMARY OF FINANCIAL INFORMATION

The summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 2.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTION

Details of the movements in the Company's share capital during the year ended 31 December 2014 are set out in note 28 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year ended 31 December 2014 are set out in note 29 to the financial statements and the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2014, the Company's reserves available for distribution amounted to RMB185,021,189 as computed in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CLIENTS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major clients and suppliers were as follows:

(1) The aggregate amount of revenue attributable to the Group's five largest clients represented approximately 42.50% of the Groups total revenue. The amount of revenue from the Group's largest client represented approximately 12.57% of the Group's total revenue.

(2) The aggregate amount of purchases attributable to the Group's five largest suppliers represented approximately 36.92% of the Group's total purchases. The amount of purchases from the Group's largest supplier represented approximately 12.05% of the Group's total purchases.

None of the Directors nor any of their associates nor any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest clients and/or five largest suppliers.

DIRECTORS

The Directors as at the date of this announcement were as follows:

Executive Directors:

Mr. Fang Bin (方彬先生)
Mr. Patrick Zheng (Patrick Zheng先生)
Mr. Huang Wei (黃維先生)
Mr. Song Yijun (宋義俊先生)

Non-executive Director:

Mr. Fan Youyuan (范幼元先生)

Independent non-executive Directors:

Mr. Zhou Ruijin (周瑞金先生)
Mr. Lin Zhiming (林志明先生)
Ms. Hsu Wai Man, Helen (徐慧敏女士)

In accordance with article 112 of the Company's article of association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and any Director appointed by the Board as an additional Director shall hold office only until the next following annual general meeting of the Company.

Pursuant to article 108(a) of the articles of the association of the Company, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation.

Pursuant to article 112 of the articles of the association of the Company, Mr. Patrick Zheng and Mr. Huang Wei and pursuant to article 108(a), Mr. Zhou Ruijin and Mr. Lin Zhiming will retire from office as Directors at the forthcoming annual general meeting, and being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Continuing Connected Transactions" in this announcement, no Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party subsisting during the year ended 31 December 2014 or at 31 December 2014. Please refer to the paragraph headed "Continuing Connected Transactions" in this announcement for the particulars of the contract of significance between member of the Group and the controlling shareholder of the Company.

MANAGEMENT CONTRACTS

Save as the Structured Contracts (details of which are set out in the paragraph headed "Continuing Connected Transactions" below), no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2014.

REMUNERATION OF THE DIRECTORS

Details of the remuneration of the Directors are set out in note 9 to the audited financial statements in this announcement.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remuneration of the Directors is determined with reference to the economic situation, the market conditions, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of which are set out in the paragraph headed "Share Option Scheme" below. The Company has also adopted an employee's share award scheme, details of which are set out in the paragraph headed "Employee's Share Award Scheme" below.

PENSION SCHEMES

The employees of the Group's subsidiaries which operate in the PRC participate in the central pension schemes operated by the local government. Particulars of these central pension schemes are set out in note 3(l) to the financial statements in this announcement.

NON-COMPETITION UNDERTAKING

In order to protect the Group's interest in its business activities, the Company, Lapta International Limited, Mr. Fang Bin (the controlling shareholders of the Company) and Mr. Song Yijun (an executive Director) (the"Covenantors") entered into the deed of non-competition (the "Deed") on 10 April 2012. Under the terms of the Deed, each of the Covenantors, among others, has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of each of its subsidiaries for the time being) that with effect from the Listing Date and for so long as he/it remains as a Director and/or a controlling shareholder of the Company or during the period when the Shares remain listed on the Stock Exchange, except for transactions contemplated under agreements (if any) entered or to be entered into with the Group, that he/it will not, and will procure his/its associates (other than the Group) not to compete directly or indirectly with the businesses of the Group.

Details of the Deed have been set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus. The Company has received a written confirmation from each of the Covenantors in respect of its/ his compliance with the terms of the Deed during the year ended 31 December 2014 and up to the date of this announcement.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 December 2014 and up to the date of this announcement, none of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As advised by the Company's compliance adviser, Anglo Chinese, none of Anglo Chinese, or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Group as at 31 December 2014 pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee together with the management have reviewed the accounting standards and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2014.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules since the Listing Date and up to the date of this announcement.

AUDITOR

BDO Limited has been appointed by the Directors as the first auditor of the Company since the Listing Date. BDO Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for its re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting. The consolidated financial statements for the year ended 31 December 2014 have been audited by BDO Limited.

EMPLOYEES' SHARE AWARD SCHEME

On 29 September 2014, the Company has adopted an employees' share award scheme (the "Share Award Scheme"). The Share Award Scheme is to recognize the contributions by certain selected employees and to give incentives thereto in order to retain them for the continual operations and development of the Group and to attract suitable personnel for further development of the Group.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 23 of the GEM Listing Rules and is a discretionary award scheme of the Company. For details of the Share Award Scheme, please refer to the announcement of the Company dated 29 September 2014.

No Share was awarded under the Share Award Scheme during the year ended 31 December 2014.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 10 April 2013.

Purpose

The purpose of the Share Option Scheme is to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group.

Participants

The Board are authorised, at their absolute discretion and subject to the terms of the Share Option Scheme, to grant options to subscribe the Shares to, inter alia, any employees (full-time or part-time), Directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group.

Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date (i.e. a total of 20,000,000 Shares, representing approximately 8.10% of the issued share capital of the Company as at the date of this announcement).

Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of options (including both exercised and outstanding options) by any participant under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue of the Company.

Term of subscription of Shares upon exercise of Share Options

An option may be exercised by the grantee in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant and subject to the provisions of early termination thereof.

Minimum period for which an option must be held before it can be exercised

The Board may in its absolute discretion set a minimum period for which an option must be held and performance targets must be achieved before an option can be exercised.

Time of acceptance and the amount payable on acceptance of the option

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer is made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

Basis of determining the subscription price

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares on the date of grant of the option.

Share Option Scheme

The Share Option Scheme became unconditional on the Listing Date and shall be valid for a period of ten years commencing on 10 April 2013, subject to the early termination provisions contained in the Share Option Scheme.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme does not exceed 10% of the Shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme does not exceed 30% of the shares in issue of the Company from time to time.

Up to the date of this announcement, no option under the Share Option Scheme has been granted by the Company.

THE INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2014, the interests and short positions of the directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which will have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, are as follows:

Long positions in the Shares

	Number of ordinary shares				
Name of director	**Personal interest**	**Family interest**	**Interest in controlled corporation**	**Total**	**Percentage of the issued share capital**
Mr. Fang Bin (方彬) *(note 1)*	–	–	112,500,000	112,500,000	45.58%
Mr. Fan Youyuan (范幼元) *(note 2)*	–	–	14,700,000	14,700,000	5.96%

Notes:

1. These Shares are owned by Lapta International Limited whose entire interests are beneficially owned by Mr. Fang. Accordingly, under the SFO, Mr. Fang is taken or deemed to be interested in the 112,500,000 Shares held by Lapta International Limited.

2. These Shares are owned by Whales Capital Holdings Limited which is wholly owned by Taocent International Holding Limited which is in turn wholly owned by Mr. Fan. Accordingly, under the SFO, Mr. Fan is taken or deemed to be interested in the 14,700,000 Shares held by Whales Capital Holdings Limited. On 7 January 2014, Whales Capital Holdings Limited transferred 4,800,000 Shares to a third party. As such, Mr. Fan is taken or deemed to be interested in 14,700,000 Shares from the previous 19,500,000 shares, representing approximately 5.96% of the issued share capital of the Company.

Save as disclosed above, as at 31 December 2014, none of the directors and Chief Executive of the Company had any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, so far as the Directors are aware, without taking into account any Shares which will be issued pursuant to the options which may be granted under the Share Option Scheme, the interests or short positions owned by the following persons (other than the directors or Chief Executive of the Company) in the shares or underlying shares of the Company which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares

Name	Capacity	Number of ordinary Shares	Approximate percentage of the issued share capital
Lapta International Limited	Beneficial owner	112,500,000	45.58%
Always Bright Enterprises Limited *(note1)*	Beneficial owner	46,810,194	18.97%
Mr. Huang Wei (黃維) *(note1)*	Interest in controlled corporation	46,810,194	18.97%
Ms. Yuan Yuan (袁媛) *(note1)*	Spouse's interest	46,810,194	18.97%
Whales Capital Holdings Limited *(note2)*	Beneficial owner	14,700,000	5.96%
Taocent International Holding Limited *(note2)*	Interest in controlled corporation	14,700,000	5.96%
Ms. Yin Rong (殷蓉) *(note2)*	Spouse's interest	14,700,000	5.96%
Jolly Win Management Limited *(note3)*	Beneficial owner	13,500,000	5.47%
Mr. Lin Kaiwen (林凱文) *(note3)*	Interest in controlled corporation	13,500,000	5.47%
Ms. Chen Suzhen (陳素珍) *(note3)*	Spouse's interest	13,500,000	5.47%

Notes:

1. Mr. Huang Wei beneficially owns the entire issued share capital of Always Bright Enterprises Limited, which in turn holds 46,810,194 Shares. For the purposes of the SFO, Mr. Huang Wei is deemed or taken to be interested in all the Shares in which Always Bright Enterprises Limited is interested. Mr. Huang Wei was appointed as an executive Director on 20 January 2015. Ms. Yuan Yuan is the spouse of Mr. Huang Wei. For the purposes of the SFO, Ms. Yuan Yuan is deemed or taken to be interested in all the Shares in which Mr. Huang Wei is interested.

2. Mr. Fan Youyuan beneficially owns the entire issued share capital of Taocent International Holding Limited which in turn wholly owns Whales Capital Holdings Limited. On 10 January 2014, Whales Capital Holdings Limited transferred 4,800,000 Shares to a third party. Therefore, as at the date of this announcement, the number of Shares held by Whales Capital Holdings Limited is reduced to 14,700,000 Shares from the previous 19,500,000 Shares, representing approximately 5.96% of the issued share capital of the Company. Ms. Yin Rong is the spouse of Mr. Fan Youyuan. For the purposes of SFO, Ms. Yin Rong is deemed or taken to be interested in all Shares in which Mr. Fan Youyuan is interested.

3. Mr. Lin Kaiwen beneficially owns the entire issued share capital of Jolly Win Management Limited, which in turn held 13,500,000 Shares as at 31 December 2014. On 12 February 2014, Jolly Win Management Limited transferred 4,500,000 Shares to a third party. Therefore, as at the date of this announcement, the number of Shares held by Jolly Win Management Limited is reduced to 13,500,000 Shares from the previous 18,000,000 Shares, representing approximately 5.47% of the issued share capital of the Company. For the purposes of the SFO, Mr. Lin Kaiwen is deemed to be interested in all the Shares held by Jolly Win Management Limited. Ms. Chen Suzhen is the spouse of Mr. Lin Kaiwen. For the purposes of the SFO, Ms. Chen Suzhen is deemed to or taken to be interested in all Shares in which Mr. Lin Kaiwen is interested.

Save as disclosed above and as 31 December 2014, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the year ended 31 December 2014 are set out in note 30 to the financial statements. The related party transactions in relation to the key management personnel remuneration as disclosed in Note 30(c) to the consolidated financial statements in this announcement include connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.93 of the GEM Listing Rules. Save as the aforesaid, the Directors consider that all other related party transactions disclosed in note 30 to the consolidated financial statements in this announcement did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, annual review, announcement, or independent shareholders' approval requirements under the GEM Listing Rules. The Company confirmed that it has complied with all applicable reporting, annual review, announcement or independent shareholders' approval requirements in accordance with Chapter 20 of the GEM Listing Rules for all connected transactions and continuing connected transactions of the Group.

CONTINUING CONNECTED TRANSACTIONS

Non-exempt Continuing Connected Transactions

During the Review Period, the following transactions carried out by the Group and the connected persons of the Company constituted continuing connected transactions of the Company under the GEM Listing Rules.

1. *Structured Contracts*

   For the reasons as disclosed in the section headed "Connected Transactions" in the Prospectus, a series of structured contracts (the "Structured Contracts") that were designed to provide Shanghai SumZone Enterprise Management Consultancy Company Limited ("Shanghai SumZone Enterprise"), a wholly-owned subsidiary of the Company, with effective control over the financial and operational policies of Shanghai SumZone Media Investment Management Company Limited ("SMU") and (to the extent permitted by PRC laws and regulations) the right to acquire the equity interests in SMU were entered into between or amongst SMU, Shanghai SumZone Enterprise Mr. Fang Bin or Century Linker (Hong Kong) Limited ("Century Linker"), a wholly owned subsidiary of the Company. As Mr. Fang is a substantial shareholder of the Company and an executive Director and therefore a connected person of the Company, and both SMU and Shanghai SumZone Enterprise are controlled by Mr. Fang, the transactions contemplated under the Structured Contracts constitute continuing connected transactions under the GEM Listing Rules.

   (a) The exclusive consulting and service agreement dated 1 June 2011 entered into between Shanghai SumZone Enterprise and SMU, pursuant to which Shanghai SumZone Enterprise shall, on an exclusive basis, provide consulting and other supporting services to SMU. In consideration of the provision of the aforesaid services provided by Shanghai SumZone Enterprise to SMU, SMU has agreed to pay to Shanghai SumZone Enterprise service fee on an annual basis. Service fee payable to Shanghai SumZone Enterprise will be equivalent to the audited revenue before income tax expenses after deducting, amongst other things, all the necessary costs, expenses and business tax expenses incurred from the business operation of SMU. Nevertheless, Shanghai SumZone Enterprise is entitled to adjust the basis of service fee according to the scale of service provided to SMU. The exclusive consulting and service agreement has become effective on 1 June 2011 and shall continue to be in full force and effect until it is terminated by Shanghai SumZone Enterprise by giving SMU a 30 days' prior written notice of termination. SMU shall have no right to terminate the exclusive consulting and service agreement in any event.

(b) The share pledge agreement dated 1 June 2011 entered into between Shanghai SumZone Enterprise and Mr. Fang, pursuant to which Mr. Fang agreed to pledge his entire equity interests in SMU to Shanghai SumZone Enterprise to secure the fees and other payables that SMU might be liable to pay to Shanghai SumZone Enterprise under the exclusive consulting and service agreement from time to time. Pursuant to the share pledge agreement, Mr. Fang has undertaken to Shanghai SumZone Enterprise, among other things, not to transfer the interest in his shares in SMU (save and except transfers of shares to Century Linker and/or other designated persons) and not to create or allow any pledge thereon that may affect the rights and interest of Shanghai SumZone Enterprise without the prior written consent from Shanghai SumZone Enterprise. The share pledge agreement shall remain in full force and effect until the termination of the exclusive consulting and service agreement and the discharge of all SMU's obligations under the exclusive consulting and service agreement.

(c) The exclusive business operating agreement dated 1 June 2011 entered into amongst Shanghai SumZone Enterprise, SMU and Mr. Fang, pursuant to which (a) at the request of SMU and on condition that SMU has complied with the terms of the exclusive business operating agreement, Shanghai SumZone Enterprise may (but was not obliged to) act as a guarantor for SMU in its business-related agreements or transactions; (b) as a counter-guarantee, SMU agreed to pledge its trade receivables and all its assets to Shanghai SumZone Enterprise; (c) SMU should not, without the written approval of Shanghai SumZone Enterprise, enter into any transaction which might affect its assets, rights, obligations or operations; and (d) SMU should appoint a candidate nominated by Shanghai SumZone Enterprise as director(s) of SMU, and SMU should appoint a candidate nominated by Shanghai SumZone Enterprise to be a member of the senior management of SMU. In addition to the aforesaid, Mr. Fang shall transfer all distributable dividends, capital dividend and other asset receivable by him at nil consideration to Shanghai SumZone Enterprise as soon as practicable but in any event no later than three days upon receipt of the same by Mr. Fang. The exclusive business operating agreement shall remain in full force and effect until it is terminated by Shanghai SumZone Enterprise by giving each of SMU and Mr. Fang a 30 days' prior written notice of termination, Shanghai SumZone Enterprise is also entitled to but not obliged to terminate all agreements between itself and SMU if any agreement entered into between them is terminated or expired.

(d) The exclusive option agreement dated 1 June 2011 entered into among Century Linker, Mr. Fang and SMU, pursuant to which Mr. Fang, being the sole equity holder of SMU, agreed to grant an irrevocable option to Century Linker to acquire from him all or any of the equity interests he held in SMU, on condition that such acquisition should comply with the PRC laws and regulations, at nil consideration or at nominal price if permissible under the PRC law and regulations. Otherwise, the consideration will be determined by the parties with reference to the valuation of SMU at the time of transfer. The exclusive option agreement shall continue to be in full force and effect until the transfer of all the equity interests in SMU by Mr. Fang to Century Linker or a transferee as designated by Century Linker (based on the date of registration of such transfer) or otherwise terminated by Century Linker unilaterally by written confirmation.

(e) The irrevocable power of attorney dated 1 June 2011 was executed by Mr. Fang. The irrevocable power of attorney enables Shanghai SumZone Enterprise to exercise all the powers of the shareholder of SMU through the chairman of its board of directors, and shall be in full force and effect during the term of the Structured Contracts.

Pursuant to Rule 20.42(3) of the GEM Listing Rules (new Rule 20.103), the Company applied to the Stock Exchange, and the Stock Exchange has agreed to grant a waiver from strict compliance with (i) announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules in respect of the transactions contemplated under the Structured Contracts; (ii) the requirement of setting a maximum aggregate annual value (i.e. an annual cap) for the fees payable to Shanghai SumZone Enterprise under the Structured Contracts; and (iii) the requirement of limiting the term of the Structured Contracts to three years or less, for so long as the Shares are listed on the Stock Exchange subject to certain conditions as set out in the section headed "Connected Transactions" in the Prospectus.

2. *The SumZone Advertising Agreement and the SumZone Marketing Agreement*

On the basis of the Structured Contracts and with a view to transferring the Group's Unrestricted Businesses (as defined in the Prospectus) to Shanghai SumZone Advertising Company Limited ("SumZone Advertising") and Shanghai SumZone Marketing Company Limited ("SumZone Marketing") in pursuance of the Group's long term strategic plans, SMU entered into the following agreements with SumZone Advertising and SumZone Marketing:

(a) An advertising agency agreement dated 1 September 2011 as supplemented by two supplemental agreements dated 21 November 2011 and 26 March 2012 respectively (together referred to as the "SumZone Advertising Agreement") entered into between SumZone Advertising and SMU in relation to, amongst other things, the transfer of advertising agency business derived from traditional media from SMU to SumZone Advertising and/or any other PRC subsidiaries of Shanghai SumZone Enterprise. The SumZone Advertising Agreement took effect from 1 September 2011 until the date of termination of the Structured Contracts, and during which, SMU has authorised SumZone Advertising as its exclusive advertising agency in relation to traditional media currently operated or to be operated by SMU. During the term of the SumZone Advertising Agreement, SumZone Advertising shall pay to SMU, on an annual basis, service charges which are equivalent to the operating costs of traditional media operated or to be operated by SMU. At the same time, SumZone Advertising will be entitled to the advertising income of the traditional media operated or to be operated by SMU (including the SMU publications) under the SumZone Advertising Agreement.

    SumZone Advertising paid to SMU annual service charges of RMB3,581,508 for the operating costs of traditional media operated by SMU for the year ended 31 December 2014.

(b) An advertising agency agreement dated 1 September 2011 as supplemented by two supplemental agreements dated 21 November 2011 and 26 March 2012 respectively (together referred to as the "SumZone Marketing Agreement") entered into between SumZone Marketing and SMU in relation to, amongst other things, the transfer of advertising agency business derived from digital media from SMU to SumZone Marketing and/or any other PRC subsidiaries of Shanghai SumZone Enterprise. The SumZone Marketing Agreement took effect from 1 September 2011 until the date of termination of the Structured Contracts. Pursuant to the SumZone Marketing Agreement, SMU has authorised SumZone Marketing as its exclusive agency in relation to digital media operated by SMU currently (namely www.cnnauto.com) and in future. During the term of the SumZone Marketing Agreement, SumZone Marketing shall pay to SMU, on an annual basis, service charges which are equivalent to the operating costs of www.cnnauto.com or other digital media operated or to be operated by SMU. At the same time, SumZone Marketing will be entitled to the advertising income of www.cnnauto.com or other digital media operated or to be operated by SMU under the SumZone Marketing Agreement.

    SumZone Marketing paid to SMU annual service charges of RMB32,033,719 for the operating costs of digital media operated by SMU for the year ended 31 December 2014.

The Company has applied to the Stock Exchange, and the Stock Exchange has agreed to grant a waiver from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules in respect of the transactions contemplated under each of the SumZone Advertising Agreement and the SumZone Marketing Agreement; (ii) the requirement of setting a maximum aggregate annual value (i.e. an annual caps) for the service charges payable to SMU and the advertising income payable to SumZone Advertising and SumZone Marketing under the SumZone Advertising Agreement and the SumZone Marketing Agreement respectively; and (iii) the requirement of limiting the term of each of the SumZone Advertising Agreement and the SumZone Marketing Agreement to three years or less, for so long as the Shares are listed on the Stock Exchange subject to the conditions, where appropriate, applicable to the transactions contemplated under the Structured Contracts set out above.

Confirmation of independent non-executive Directors

The independent non-executive Directors have reviewed the Structured Contracts, the SumZone Advertising Agreement, the SumZone Marketing Agreement, the Advertising Agency Agreement and the PR and Event Cooperation Agreement (collectively referred to as the "Continuing Connected Transactions") during the year ended 31 December 2014 and confirmed that:

(i) the transactions under the Structured Contracts were carried out in accordance with the relevant provisions of the Structured Contracts so that the revenue generated by SMU has been mainly retained by the Group;

(ii) no dividends or other distributions have been made by SMU to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;

(iii) the terms of the Structured Contracts are fair and reasonable so far as the Company is concerned and in the interests of the Shareholders as a whole;

(iv) the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the Company;

(v) the Continuing Connected Transactions are on normal commercial terms or, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and

(vi) the Continuing Connected Transactions have been entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Please refer to the Prospectus for further details of the Continuing Connected Transactions.

Confirmation of auditors of the Company

The auditors of the Company confirms that no events have occurred that causes them to believe that the continuing connected transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involves the provision of goods or service by the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreement(s) governing the transactions; and

(iv) have exceeded the cap amount.

BDO Limited, the Company's auditor, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited has issued its unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transactions in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

TRANSFER OF BUSINESS

The business of SMU involves Restricted Businesses (as defined in the Prospectus) and this prevents SMU from being consolidated into the Group directly. On the basis of the Structured Contract and having consulted the Group's PRC legal advisors, the Group is of the view that the operation of the SMU Publications and www.cnnauto.com, the Group's relevant advertising business relating to content design and production as well as its PR (including EPR) business are Restricted Businesses and they should continue to be operated by SMU after the Listing. On the other hand, the Group's advertising agency business, such as the SMU Publications, www.cnnauto.com and other advertising media channels and event marketing business are Unrestricted Businesses and they have been transferred to SumZone Advertising, SumZone Marketing or any PRC subsidiaries of Shanghai SumZone Enterprise pursuant to the Group's long-term strategic plans. As part of the business transfer process which has commenced in early September 2011, SumZone Advertising and SumZone Marketing have entered into business contracts with all the Group's newly developed clients relating to its Unrestricted Businesses. As at 31 December 2014, the application of trademarks transfer of the Group has been partially accepted by the Trademark Office under the State Administration for Industry and Commerce, and the transfer was completed, with the remaining part of the application still in progress. Save for this, the Group has transferred all the Unrestricted Businesses of SMU to SumZone Advertising and SumZone Marketing.

By Order of the Board
Branding China Group Limited
Fang Bin
Chairman

The PRC, 24 March 2015

As at the date of this announcement, the executive Directors are Mr. Fang Bin, Mr. Patrick Zheng, Mr. Huang Wei and Mr. Song Yijun; the non-executive Director is Mr. Fan Youyuan; and the independent non-executive Directors are Mr. Zhou Ruijin, Mr. Lin Zhiming and Ms. Hsu Wai Man, Helen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.brandingchinagroup.com.