文化中國傳播集團有限公司*
CHINAVISION MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1060)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2009

The board of directors (the "Board") of ChinaVision Media Group Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2009 were as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2009

		2009	2008
	Notes	***HK$'000***	*HK$'000*
Continuing operations:			
Revenue	*4*	**388,935**	552,847
Cost of sales		**(350,614)**	(509,121)
Gross profit		**38,321**	43,726
Other income	*5*	**36,081**	71,831
Other gains, net	*6*	**6,522**	12,924
Loss on disposal of subsidiaries	*15*	**(202,425)**	–
Distribution and selling expenses		**(12,220)**	(8,178)
Administrative expenses		**(49,778)**	(34,173)
Finance costs	*7*	**(35,158)**	(73,923)
(Loss) profit before taxation		**(218,657)**	12,207
Taxation charge	*8*	**(400)**	(1,857)
(Loss) profit from continuing operations		**(219,057)**	10,350

* *For identification purpose only*

	Notes	**2009** **HK$'000**	2008 *HK$'000*
Discontinued operation:			
Profit for the year from discontinued operation		**–**	139
(Loss) profit for the year	*9*	**(219,057)**	10,489
(Loss) profit for the year attributable to:			
Owners of the Company		**(225,296)**	2,487
Minority interests		**6,239**	8,002
		(219,057)	10,489
		HK cents	*HK cents*
(Loss) earnings per share	*10*		
From continuing and discontinued operations			
– Basic		**(16.73)**	0.28
– Diluted		**(16.73)**	N/A
For continuing operations			
– Basic		**(16.73)**	0.27
– Diluted		**(16.73)**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2009

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit for the year	**(219,057)**	10,489
Other comprehensive income and expense:		
Exchange difference arising on translation to presentation currency	**(72)**	28,823
Reclassification adjustment -release of translation reserve on disposal of subsidiaries	**–**	(2,157)
Other comprehensive income and expense for the year	**(72)**	26,666
Total comprehensive income and expense for the year	**(219,129)**	37,155
Total comprehensive income and expense attributable to:		
Owners of the Company	**(225,368)**	17,989
Minority interests	**6,239**	19,166
	(219,129)	37,155

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**19,050**	471,596
Prepaid lease payments on land use rights		**–**	16,510
Goodwill	*11*	**39,781**	69,479
Mining right		**–**	7,770
Intangible assets		**8,001**	–
Club debenture		**2,591**	–
Art work		**8,780**	–
Deposit paid for acquisition of property, plant and equipment		**268**	–
Deposit paid for acquisition of an associate		**6,818**	–
Other financial asset		**34,091**	–
Other receivables	*12*	**2,856**	–
		122,236	565,355
Current assets			
Refundable deposit and loan receivable		**–**	241,219
Properties held for sale		**–**	1,333
Prepaid lease payments on land use right		**–**	439
Inventories		**–**	48,554
Film rights		**59,114**	–
Held for trading investments		**57,822**	–
Trade and other receivables and deposits	*12*	**98,745**	228,240
Amounts due from minority shareholders		**756**	–
Prepayments		**1,544**	18,604
Tax recoverable		**–**	721
Pledged short-term bank deposits		**–**	13,636
Bank balances and cash		**126,671**	60,647
		344,652	613,393

	Note	2009 HK$'000	2008 HK$'000
Current liabilities			
Trade and other payables and deposits received	*13*	**23,154**	109,467
Amount due to a minority shareholder		**682**	4,876
Amounts due to related companies		**9,087**	2,283
Tax liabilities		**7,891**	1,377
Borrowings due within one year		**17,081**	515,079
		57,895	633,082
Net current assets (liabilities)		**286,757**	(19,689)
Total assets less current liabilities		**408,993**	545,666
Capital and reserves			
Share capital		**370,398**	182,349
Reserves		**(10,809)**	130,725
Equity attributable to owners of the Company		**359,589**	313,074
Minority interests		**45,737**	192,882
Total equity		**405,326**	505,956
Non-current liabilities			
Amount due to a minority shareholder		**–**	450
Borrowings due after one year		**–**	10,341
Deferred taxation		**3,667**	28,919
		3,667	39,710
		408,993	545,666

Notes:

1. **BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

2. **CHANGE OF COMPANY NAME**

Pursuant to a special resolution passed by the shareholders at a special general meeting of the Company held on 9th September, 2009, the name of the Company was changed from Shanghai Allied Cement Limited to ChinaVision Media Group Limited, and 文化中國傳播集團有限公司 has been adopted by the Company as its new Chinese name. The change of name became effective on 14th October, 2009.

3. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by HKICPA.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKAS 32 (Amendment)	Classification of rights issues
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK (IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

Improving disclosures about financial instruments (amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments. The amendments also expand and amend the disclosures required in relation to liquidity risk.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's operating segments (see note 4) and changes in the basis of measurement of segment consolidated income statement, segment assets and segment liabilities.

New and revised HKFRSs affecting the reported results and/or financial position

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1st January, 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). The revised accounting policy has been applied prospectively from 1st January, 2009 and does not have a material effect on the reported results and financial position of the Group for the current or prior accounting periods.

HKAS 32 (Amendment) Classification of rights issues

The Group has early applied the amendment of HKAS 32 issued in October 2009 in relation to classification of right issues. Before the adoption of the amendment of HKAS 32, right issues offered for delivering a fixed number of shares for a fixed amount of foreign company has to be accounted for as derivative financial liabilities. The amendment of HKAS 32 changed classification of right issues for issued rights to shareholders to acquire a fixed number of the Company's own equity instruments for a fixed amount of any currency, which are classified as equity instrument if the Company offers the rights, in pro rata basis, to all of its existing owners of the same class of its own non-derivative equity instruments. On 15th May, 2009, the Company proposed an open offer of 437,195,521 ordinary shares of the Company at a price of HK$0.30 per share, on the basis of one offer share for every two existing shares held on 4th June, 2009. The open offer was completed on 29th June, 2009. In adoption of the amendment of HKAS 32, the open offer issued in pro rata to all of its existing shareholder is classified as equity instrument.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised 2009)	Related party disclosures[5]
HKAS 27 (Revised 2008)	Consolidated and separate financial statements[1]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[4]
HKFRS 2 (Amendment)	Group cash-settled share-based payments transactions[3]
HKFRS 3 (Revised 2008)	Business combinations[1]
HKFRS 9	Financial instruments[6]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement[5]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instrument[4]

[1] *Effective for annual periods beginning on or after 1st July, 2009.*

[2] *Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.*

[3] *Effective for annual periods beginning on or after 1st January, 2010.*

[4] *Effective for annual periods beginning on or after 1st July, 2010.*

[5] *Effective for annual periods beginning on or after 1st January, 2011.*

[6] *Effective for annual periods beginning on or after 1st January, 2013.*

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 will affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold or services rendered by the Group to outside customers, less discount and related taxes for the year, and is analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Film, television programme and television drama series production, distribution and licensing	**45,752**	–
Mobile game subscription income	**113**	–
Sales of cement and clinker	**343,070**	552,847
	388,935	552,847

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), represented by the board of directors of the Group, for the purpose of allocating resources to segments and to assess their performance. In contrast, the predecessor standard, HKAS 14 "Segment Reporting", required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments.

The application of HKFRS 8 has neither resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment result, assets and liabilities.

The revenue streams and result are the basis of internal reports about components of the Group that are regularly reviewed by the board of directors, the CODM, in order to allocate resources to segments and to assess their performance.

As a result, following the adoption of HKFRS 8, the identification of the Group's operating segments is as follows:

(i)	Film, television programme and television drama series	–	production and distribution of films, television programmes and television drama series and licensing of film rights over films and television programmes
(ii)	Mobile games	–	development and distribution of mobile games in the PRC
(iii)	Securities trading and investments	–	trading of securities in Hong Kong
(iv)	Cement and clinker	–	sales of cement and clinker in the PRC
(v)	Slag powder	–	sales of slag powder

The first two segments under (i) and (ii) above are the new operating segments upon completion of acquisition of subsidiaries. The third segment under (iii) above is the new operating segment engaged by the Group during the year ended 31st December, 2009. The fourth segment under (iv) above is the operating segment engaged by the Group in the two years ended 31st December, 2009. On 16th September, 2009, the Company disposed of several subsidiaries ("Disposed Subsidiaries") engaged in manufacturing and production of cement and clinker. The details of the disposal is set out in note 15(a). On the same date, a wholly owned subsidiary of the Company (the "Subsidiary") entered into a distribution agreement with the Disposed Subsidiaries, the Subsidiary agreed to act as the distributor of cement for the Disposed Subsidiaries to customers for a fixed term of five years. A new subsidiary has been set up in the PRC to carry out the sales operation of Disposed Subsidiaries and in the view of CODM, there is no change to the mode of operation in this operating segment. The fifth segment under (v) was discontinued during the year ended 31st December, 2008.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operation segment.

	Continuing operations				
	Film, television programme and television drama series	**Mobile games**	**Securities trading and investments**	**Cement and clinker**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
For the year ended 31st December, 2009					
Segment revenue	**45,752**	**113**	**–**	**343,070**	**388,935**
Segment results	**5,032**	**(838)**	**4,684**	**12,364**	**21,242**
Unallocated interest income and net exchange gain					**23,421**
Loss on disposal of subsidiaries					**(202,425)**
Corporate administrative expenses					**(26,539)**
Finance costs					**(34,356)**
Loss before taxation					**(218,657)**

	Continuing operation	**Discontinued operation**	
	Cement and clinker	**Slag powder**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
For the year ended 31st December, 2008			
Segment revenue	552,847	4,402	557,249
Segment results	49,637	(119)	49,518
Unallocated interest income, net exchange gain and other income	50,741	258	50,999
Corporate administrative expenses	(14,248)	–	(14,248)
Finance costs	(73,923)	–	(73,923)
Profit before taxation	12,207	139	12,346

All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit (loss) generated or incurred by each segment without allocation of interest income, net exchange gain, sundry income, corporate administrative expenses, finance costs other than margin loan and loss on disposal of subsidiaries. This is the measure reported to the board of directors for the purpose of resource allocation and performance assessment.

5. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Interest income	**22,551**	39,944
Subsidy income	**–**	3,653
Refund of value-added tax *(note a)*	**9,979**	19,711
Refund of business tax *(note b)*	**2,419**	–
Sundry income	**1,132**	8,523
	36,081	71,831

Notes:

(a) The PRC government authorities have granted a tax incentive to a subsidiary in the PRC by way of value-added tax refund for cement and clinker sold by the Group in the PRC.

(b) The PRC government authorities have granted a tax incentive to a subsidiary in the PRC by way of business tax refund for film rights distributed by the Group in the PRC.

6. OTHER GAINS, NET

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
(Loss) gain on disposal of property, plant and equipment	**(198)**	39
Net foreign exchange gains	**870**	10,429
Bad and doubtful debts recovered	**381**	2,866
Allowance for bad and doubtful debts	**(233)**	(410)
Change in fair value of held for trading investments *(note)*	**5,702**	–
	6,522	12,924

Note: The amount includes net realised gain of approximately HK$2,060,000 on disposal of held for trading investments and unrealised gain of approximately HK$3,642,000 on change in fair value of held for trading investments.

7. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Interest on:		
Bank borrowings wholly repayable within five years	**7,926**	13,096
Imputed interest on interest-free amount due to a minority shareholder	**18**	51
Other borrowing costs	**27,214**	60,776
	35,158	73,923

8. TAXATION CHARGE

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
– PRC Enterprise Income tax	**(5,902)**	(6,576)
– Overprovision in prior year	**3,736**	2,976
	(2,166)	(3,600)
Deferred tax		
– current year	**1,766**	1,743
Taxation charge	**(400)**	(1,857)

9. (LOSS) PROFIT FOR THE YEAR

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
(Loss) profit for the year has been arrived at after charging:		
Auditor's remuneration	**2,047**	1,561
Film rights recognised as an expense included in cost of sales	**29,620**	–
Cost of inventories recognised as an expense	**318,895**	509,121
Amortisation of mining right (included in administrative expenses)	**122**	173
Depreciation of property, plant and equipment	**21,384**	28,120
Total amortisation and depreciation	**21,506**	28,293
Release of prepaid lease payments on land use rights	**311**	439
Rental payments for premises under operating leases	**2,436**	830
Rental payments for plant and machinery under operating leases	**412**	777
Research and development costs as an expense (included in administrative expenses)	**382**	–
Staff costs inclusive directors' emoluments	**33,823**	30,539

10. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earning per share is based on the following information:

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earnings per share	**(225,296)**	2,487

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**1,346,683,584**	875,274,052

The weighted average number of ordinary shares for the purpose of basic (loss) earnings per share for the year ended 31st December, 2009 has taken into account the placements held on 19th January, 2009 and 29th July, 2009, and number of shares to be issued for acquisition of subsidiaries on 30th September, 2009 and adjusted for the open offer of 437,197,521 offer shares completed on 29th June, 2009, whereas the weighted average number of ordinary shares for the year ended 31st December, 2008 has been adjusted for the open offer of 437,197,521 offer shares.

For the year ended 31st December, 2009, the computation of diluted loss per share does not assume the issue of contingent consideration shares since their issuance would result in a decrease in loss per share.

From continuing operations

The calculation of the basic (loss) earnings per share from continuing operations attributable to the owners of the Company is based on the following information:

(Loss) profit figures are calculated as follows:

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company	**(225,296)**	2,487
Less: Profit for the year from discontinued operation	**–**	139
(Loss) profit for the purposes of basic (loss) earnings per share from continuing operations	**(225,296)**	2,348

The denominators used are the same as those detailed above for basic (loss) earnings per share.

From discontinued operation

For the year ended 31st December, 2008, basic earnings per share for the discontinued operation was HK 0.01 cent per share.

The calculation of the basic earnings per share for the discontinued operation was based on the profit for the year of HK$139,000 attributable to owners of the Company and the denominators detailed above for basic earnings per share.

11. GOODWILL AND IMPAIRMENT TEST ON GOODWILL

	HK$'000
COST	
At 1st January, 2008 and 31st December, 2008	83,618
Arising on acquisition of subsidiaries	39,781
Eliminated on disposal of subsidiaries *(note 15(a))*	(83,618)
At 31st December, 2009	39,781
IMPAIRMENT	
At 1st January, 2008 and 31st December, 2008	14,139
Eliminated on disposal of subsidiaries	(14,139)
At 31st December, 2009	–
CARRYING VALUES	
At 31st December, 2009	39,781
At 31st December, 2008	69,479

For the purpose of impairment testing, goodwill has been allocated to individual cash-generating units (CGUs), including two subsidiaries in film, television programme and television drama series production, distribution and licensing segment ("Entertainment"), one subsidiary in mobile games development and distribution segment ("Game") and one subsidiary in sales of cement and clinker ("Cement"). The carrying amounts of goodwill as at 31st December, 2009 and 2008 allocated to these units are as follows:

	2009	2008
	HK$'000	*HK$'000*
Entertainment (Unit A)	**972**	–
Entertainment (Unit B)	**34,926**	–
Game (Unit C)	**3,883**	–
Cement (Unit D)	**–**	69,479
	39,781	69,479

During the year ended 31st December, 2009, the directors of the Company determined that there was no impairment of any of its CGUs.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Units A and B

The recoverable amounts of Units A and B have been determined on the basis of value in use calculations. Their recoverable amounts are based on certain similar key assumptions. Both value in use calculations use cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 16.5%. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the Units A & B's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit A and Unit B to exceed the aggregate recoverable amount of Unit A and Unit B.

Unit C

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 6-year period, and a discount rate of 19.76%. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the Unit C's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit C to exceed the aggregate recoverable amount of Unit C.

Unit D

As at 31st December, 2008, the recoverable amount of the Unit D was determined from value in use calculations. The Group prepared cash flow projects derived from the most recent financial budgets approved by management covering a five-year period using 10% growth rate in the first two years, and zero growth rate for the following three years and extrapolated cash flows of the Unit D for the following ten years using zero growth rate. Management applies discount rate of 12.94%, using pre-tax rates that reflected current market assessments of the time value of money and the risks specific to the Unit D. The key assumptions for the value in use calculations were those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the forecasted period. Management believed that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit D to exceed the aggregate recoverable amount of Unit D.

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Group has a policy of allowing its trade customers credit periods normally ranging from 120 days to 1 year. The following is aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**5,784**	173,285
91 – 180 days	**41,227**	33,830
181 – 365 days	**1,986**	7,364
Over 1 year	**–**	1,890
	48,997	216,369

At 31st December, 2009, there was no discounted bills receivable.

At 31st December, 2008, discounted bills receivable with full recourse of approximately HK$32,740,000 was included in trade receivables. The advance obtained from discounted bills receivable was recorded as unsecured bank loans as at 31st December, 2008.

At 31st December, 2009, there were no pledged trade receivables.

At 31st December, 2008, the carrying amount of trade receivables, which was pledged as a security for the borrowings, was approximately HK$3,409,000. The advance obtained from trade receivables was recorded as secured bank loans.

13. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

Included in trade and other payables and deposits received are trade payables of approximately HK$3,379,000 (2008: HK$47,943,000). The following is an aged analysis of trade payable presented based on the invoice date at the end of the reporting period.

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**1,806**	15,300
91 – 180 days	**–**	29,505
181 – 365 days	**–**	1,177
Over 1 year	**1,573**	1,961
	3,379	47,943

The average credit period on purchase of goods is normally ranging from 120 days to 210 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. COMMITMENTS

(a) On 28th April, 2009, a subsidiary of the Company entered into a conditional sale and purchase agreement with an independent third party, Mr. Yuen Hoi Po ("Mr. Yuen"), pursuant to which Mr. Yuen conditionally agreed to sell and the subsidiary of the Company conditionally agreed to purchase the entire issued share capital of Right Point International Limited ("Right Point") and Mr. Yuen's interest in all the outstanding shareholder's loan advanced or to be advanced to Right Point for an aggregate consideration of RMB26,000,000 (equivalent to approximately HK$29.5 million). An initial refundable deposit of RMB6,000,000 (equivalent to approximately HK$6,818,000) was paid during the current year. The balance of the consideration in the sum of RMB20,000,000 (equivalent to approximately HK$22,727,000) will be settled in cash by the Group upon completion. Upon completion, Right Point will have 25% equity interest in 廣西錦華大酒店 (in English, Guangxi Jinhua Hotel). This transaction has not been completed at the date of report of these consolidated financial statements.

(b) On 12th September, 2009, the Company and a subsidiary of the Company entered into a conditional equity transfer agreement with Ideal Growth Investments Limited ("Ideal Growth"), pursuant to which Ideal Growth agreed to sell and the subsidiary of the Company agreed to purchase the entire issued share capital of Prefect Strategy International Limited for a consideration of HK$400,000,000 which will be partly settled in cash of HK$50,000,000 and partly by the issuance of convertible note in the principal amount of HK$350,000,000 by the Company. Pursuant to the conditional equity transfer agreement, upon completion of the acquisition, the Company will have indirect control and an effective interest of 70% in 北京北大文化發展有限司 (in English, Beijing Beida Culture Development Company Limited ("Beida Culture")) which in turn, hold 50% equity interests in 京華文化傳播有限公司 (in English, JingHua Culture Broadcast Company Limited ("JingHua")). Both Beida Culture and JingHua are companies established in the PRC with limited liability. Upon completion of the acquisition, Beida Culture will have no assets and liabilities (including contingent liabilities) except for its 50% equity interest in JingHua, which mainly engages in the business of publication and distribution of newspaper (Beijing Times, 京華時報), advertising agency business and operating the newspaper website in the PRC. The acquisition constitutes a very substantial acquisition for the Company under the Listing Rules. The details of this transaction are set out in the circular issued by the Company on 26th February, 2010. This transaction has not been completed at the date of report of these consolidated financial statements.

(c) On 11th December, 2009, the Company and a subsidiary of the Company entered into a conditional equity transfer agreement with an independent third party, pursuant to which the independent third party agreed to sell and the subsidiary of the Company agreed to purchase the entire equity interests of 北京永聯信通科技有限責任公司 (in English, Youline Technology Company) for an aggregate cash consideration of RMB25,000,000 (equivalent to approximately HK$28,409,000). This transaction was completed on 1st February, 2010. The Company has commenced considering the fair value of the net assets acquired in this transaction but is not yet in a position to disclose the financial information of the acquisition.

(d) Capital commitment

At the end of the reporting period, the Group had the following capital commitments:

	2009	2008
	HK$'000	*HK$'000*
Capital expenditure commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**–**	6,801

15. DISPOSAL OF SUBSIDIARIES

(a) On 21st May, 2009, the Company entered into a share transfer agreement (the "Share Transfer Agreement") with Sunwealth Holdings Limited ("Sunwealth"), a wholly-owned subsidiary of Tian An China Investments Company Limited which is listed on the Stock Exchange. Pursuant to the Share Transfer Agreement, Sunwealth conditionally agreed to purchase and the Company conditionally agreed to sell, the entire issued share capital of a wholly-owned subsidiary, Shanghai Allied Cement Holdings Limited ("SACHL"), and the shareholder's loan of approximately HK$278,504,000 owed by SACHL to the Company as at the date of the Share Transfer Agreement for an aggregate cash consideration of HK$200,000,000. The disposal was completed on 16th September, 2009, on which date control of SACHL passed to the acquirer.

The net assets of SACHL at the date of disposal were as follows:

	HK$'000
NET ASSETS DISPOSED OF	
Property, plant and equipment	461,570
Prepaid lease payments on land use rights	16,638
Mining right	7,648
Properties held for sale	1,333
Inventories	50,729
Trade and other receivable and deposits	224,595
Prepayments	11,663
Amount due from a minority shareholder	3,182
Tax recoverable	160
Pledged short-term bank deposits	11,364
Bank balances and cash	60,580
Trade and other payables and deposits received	(121,666)
Amount due to the Group	(282,182)
Dividend payable to a minority shareholder	(6,932)
Borrowings	(171,795)
Deferred taxation	(27,423)
	239,464
Minority interest	(185,222)
Attributable goodwill	69,479
	123,721
Loss on disposal	(202,425)
Total consideration	(78,704)
Satisfied by:	
Cash consideration	200,000
Assignment of shareholder's loan	(278,504)
Directly attributable cost paid	(200)
	(78,704)
Net cash inflow arising on disposal:	
Cash consideration	200,000
Bank balances and cash disposed of	(60,580)
Directly attributable cost paid	(200)
	139,220

The directors of the Company considered that the disposal of subsidiaries is in the best interests of the Company as a whole because given the tough current economic climate and the escalating energy prices, the manufacturing aspect of the Group's business is becoming increasingly capital intensive.

During the year, SACHL and its subsidiaries contributed HK$41,337,000 (1.1.2008 to 31.12.2008: HK$30,044,000) to the Group's net operating cash flows, paid HK$9,732,000 (1.1.2008 to 31.12.2008: contributed HK$7,844,000) in respect of investing activities and paid HK$30,186,000 (1.1.2008 to 31.12.2008: HK$16,935,000) in respect of financing activities.

(b) During the year ended 31st December, 2008, the Group disposed of Beijing Shanglian Shoufeng Construction Material Limited ("BSSCML") for a consideration of RMB4,700,000. The net assets of BSSCML at the date of disposal were as follows:

	HK$'000
NET ASSETS DISPOSED OF	
Property, plant and equipment	12,214
Inventories	604
Trade and other receivables	14,161
Deposits and prepayments	48
Bank balances and cash	201
Trade and other payables and deposits received	(19,657)
Tax liabilities	(331)
	7,240
Minority interest	(1,448)
Translation reserve realised	(709)
	5,083
Gain on disposal	258
Total consideration	5,341
Satisfied by:	
Cash	1,773
Deferred consideration	3,568
	5,341
Net cash inflow arising on disposal:	
Cash consideration	1,773
Bank balances and cash disposed of	(201)
	1,572

The deferred consideration had been settled in cash by the purchaser in two instalments on or before 20th June, 2009.

CHAIRMAN'S STATEMENT

2009 marked a new chapter in the Group's development and saw the Group entering into a new development stage. The Group has changed its name to "ChinaVision Media Group Limited"（文化中國傳播集團有限公司）on 14th October, 2009 to reflect the new business focus which is the planning and distribution of television and film production, print media business, online game and mobile wireless new media businesses. I am pleased to share our progress in expanding our business in the television and film media and mobile new media, and the results of the Group in 2009.

The cultural and media industry in the People's Republic of China (the "PRC") is presented with a huge opportunity. In 2009, in order to pursue the upgrade of cultural and media industry, the PRC Government, on the one hand, proposed promoting a cultural industry by accelerating the development of culture and creativity, television and film production, and publication and distribution businesses, while on the other hand, actively proposed developing new media, including digital multimedia broadcast television and mobile television. With the 3G era now in full swing with coverage rapidly expanding, mobile entertainment has become a high growth segment in the mobile and telecom industries. The growth of the entire cultural and media entertainment industry in China has far exceeded that of the world. Backed by the supportive policies and favorable market environment, the Group is aiming to build an integrated cultural enterprise. Towards that end, with an advanced operational model and through standardised management, the Group has completed mergers and acquisitions integrating many influential television and film media and mobile and network game companies. It has also enlisted a few dozens of China's top artists to quickly expedite the development of content for the Mainland China's television and film entertainment and multimedia entertainment industries. ChinaVision's strategic objective is to become a leading international media group.

Television and Film Production

In television and film production, the Group has successfully targeted the highly educated and mature audience segment as well as the young audience and satisfied the entertainment needs of a wide spectrum of viewing audiences by producing its own quality drama and distributing the popular Haiyan drama. During the year, the Group focused on the investment, production and distribution of drama in the PRC. The Group boasts an excellent management and investment team supported by abundant filming resources and a worldwide distribution network. It has invested in and distributed a series of outstanding television series and films in

2009, among which “英雄無敵三部曲” was the self-produced series of the Group. Following the first series “仁者無敵” which was well received by the mainland audience in 2008, the second series “勇者無敵” which debuted in 2009 has also achieved excellent results with the audience rating ranked among the top three series. The Group is currently filming the third series “智者無敵” which is directed by renowned director Yin Li, winner of the Golden Rooster Award, and features the outstanding actor Chen Baoguo, winner of the 飛天獎. This much anticipated series is expected to be another annual blockbuster for the Group. The Group has just finished the filming of another major series “愛在蒼茫大地” which is expected to generate another record high audience rating.

The Group is also committed to presenting productions with content that appeals to the young audience. The new drama series under production based on the work of best-selling author and screenwriter Lu Haiyan embody this commitment. The new drama series “獨家披露” written by Lu Haiyan will be directed by renowned director Gao Xixi and feature top actress Sun Li and talented actor Zhou Yiwei. This business together with the Group’s artist agency operation and brand has created synergies forming a solid competitive foundation for the Group. The Group is aided in its efforts by the support of many excellent artists from Taiwan, Hong Kong and Mainland China. It has already signed contracts with more than 30 Mainland top artists and writers, including Ge You and Chen Baoguo in addition to Lu Haiyan, to enhance its strength in the television and film distribution business.

In addition, the Group also operates a TV programme promotion package business. The scope of this business covers creativity planning, video advertising production, 3D road safety display, and traditional and online TV programme promotion package design, and related equipment sales. The aim is to provide a one-stop scalable service that can extend across the range of customers’ requirements.

The Group has made major investment in two films namely “Let the Bullets Fly” and “Lan” during the year. “Let The Bullets Fly” is headlined by leading Chinese superstars Jiang Wen, Chow Yun-Fat and Ge You supported by seven other leading actors including Hu Jun, Chen Kun, Liao Fan and Shao Bing. The star-studded cast plus the participation of the famous director Feng Xiaogang has created the promotional concept of the Constellation of 11 Superstars. Filming has finished and the global release has been scheduled before the end of year 2010. On the other hand, “Lan”, the first film directed by Jiang Wenli, has been released in the PRC during April this year. This film has won a “KNN Movie Award (Audience Award)”, a newly established category in the Pusan International Film Festival 2009, and “Best Actor” and “Best Director” awards in the First Macau International Movie Festival.

Print Media Business

The Group's acquisition of the entire issued share capital of Prefect Strategy International Limited and Main City Limited Group was approved by its shareholders on 15th March, 2010 and 16th April, 2010, respectively. Upon completion of the two transactions, the Group will have indirect control and 100% effective interests in Beijing Beida Culture Development Company Limited（北京北大文化發展有限公司）that owns 50% equity interests in Jinghua Culture Broadcast Company Limited（京華文化傳播有限公司）("Jinghua Culture"). With the Operating Licence for Publications and approved business certificate, Jinghua Culture is principally engaged in operating the advertising agency business and newspaper distribution business for *Beijing Times* together with other businesses as permitted under its business certificate. *Beijing Times* covers more than a 70% share of the morning post retail market in Beijing and the largest circulation among all morning posts in the capital. The morning post market boasts a quality advertising base and huge distribution volume. Among the city's core readers aged between 25 and 44 who possess the strongest spending power, there are 85% classified as the active readers of *Beijing Times*, while 86% are categorised as loyalty readers. With the pulling power of the brand, *Beijing Times* is the leader in the Beijing morning post retail market.

Beijing Times also operates the newspaper website（京華網）and a mobile online newspaper（京華手機報）, as well as e-business（「億家」電子商務）and logistics（京華物流）businesses. Capitalising on the brand of Beijing Times and the professional logistic and distribution system of 京華小藍帽, Beijing Times has built a one-stop professional e-business shopping platform 億家 E-business Healthy Life Supermarket ("億家電子商務健康生活超市"). In addition, the Beijing Times mobile newspaper "京華手機報" delivers essential news information any time and anywhere, breaking the limitation of time and place of traditional print media. The online newspaper "京華網報網互動" holds six telecommunications and information licences including Operating License for Telecommunication and Information Services. All of these businesses present huge market and growth potential to the Group.

Online Game and Mobile Wireless New Media

3G mobile games have rapidly gained popularity across the country after the 3G licences were granted in 2009. During the year under review, our new multiplayer online game, “Twin Castle Online”, won the hearts of many game lovers because many players can play simultaneously at any moment via either Internet or 3G mobile phones, and thus never go “offline”. In 2010, the Group plans to launch new projects, including DOBO gaming platform 3.0 and a massive multiplayer online role-playing game “玄魔” and a virtual operation game “世界足球經理”, which we believe can enlarge the market share in mobile games and achieve the top spots in mobile game rankings.

In December 2009, the Group established a partnership with Renminwang (www.people.com.cn) under The People’s Daily to set up 人民視訊文化有限公司 (“人民視訊”) for developing mobile TV businesses. The collaboration aims to build the largest mobile video lifestyle and entertainment platform offering extensive information covering social, political, legal and business news, as well as lifestyle and entertainment updates. Renminwang is one of the only seven operators that have been licensed for mobile TV operation. Following by the latest edition of 人民視訊 content to be injected into China Mobile TV base, we are constructing substantial revenues from our mobile TV business and expect to achieve an extensive growth. After connecting to the mobile audio and visual content service platform, 人民視訊 can boost its business by extending its mobile TV programmes vertically to mobile channel operators. Leveraging on the competitive edges from the Chinese-oriented content as well as the exclusive license right, adding with the quality professional team, we expect to boost its growth substantially.

For its value-added wireless service, the Group continued to concentrate on mobile entertainment through leveraging its core team’s abundant experience in developing games on different platforms to offer new product and services for users on MTK, J2ME and Symbian, etc.

Prospects

Our management team is recognised in the entertainment and media industry throughout China. It comprises professionals from mainstream satellite TV stations, major news agencies and mobile TV operators in China, and thus delivers an extensive network of business associates in the cultural, media and entertainment sectors. In 2009, through mergers, acquisitions and integration and realignment of internal resources, the Group consolidated into three major businesses, hence laying a solid foundation for future business development. The businesses are namely (1) television and film production, (2) print media, and (3) online game and mobile wireless new media. After the introduction of the policy directive "The financial support of cultural industries and revitalising the guidance of development and prosperity," the PRC Government has established seven objectives to thrive the movie industry enhancing the cross-border development. With the 3G-mobilily era, it is expected that more than 700 million mobile phone users in the PRC market will gradually shift from 2G to 3G. Meanwhile, according to PricewaterhouseCoopers Consulting's "2009~2013 Global Entertainment and Media Industry Outlook" report, Chinese domestic entertainment and media industry will enjoy a rapid growth of a CAGR of 9.5%, reaching USD110 billion in 2013. This is far beyond the global average CAGR of 2.7%.

We believe the prospect of new media is rosy and the sales opportunities arising from mobile TV and mobile game industries will be enormous. The Group is ready to strike into the new media division to gain market shares, and predicts the new mobile media business would greatly enhance our core competence. Looking to the future, traditional television and film production and print media businesses will continue to generate strong cash inflows. Online games and wireless mobile new media will have strong development potentials to lead a path of long-term high growth to the Group.

In 2010, we target to enhance our business development by leveraging our competitive strengths. While the government actively supports the development of culture, film, mobile and internet industries, we will continue to explore more opportunities by acquiring outstanding companies in the industry in order to enhance the Group's diverse expansion within the cultural and new media industries. In addition we will enhance the film production and distribution business, as well as the new media business by consolidating the internal resources, so as to create synergies between the businesses, resources and management teams. Meanwhile, the Group will perfect its operating system and mechanism, so as to build it as a Chinese cultural media conglomerate achieving the international standard with outstanding core competitive edges.

Last but not least, I would like to thank the support of all shareholders, and the hard work of our management team and staff of our subsidiaries on the business consolidation activities in the previous year. By adhering to the motto of "Leading future development through cultural creativity"(創新文化，引領未來), we will strive our utmost to generate long-term returns for our shareholders.

FINANCIAL RESULTS

For the year ended 31st December, 2009, the Group recorded a turnover of HK$388,935,000 (2008: HK$552,847,000) and net loss attributable to the shareholders of the Company of HK$225,296,000 (2008: net gain of HK$2,487,000). The drop in turnover was mainly attributable to the disposal of the manufacture of cement and clinker business. The disposal was completed in September 2009 and has resulted in a disposal loss of HK$202,425,000. By excluding such one-off disposal loss, the net loss attributable to the shareholders of the Company for the year under review was HK$22,871,000.

For the year ended 31st December, 2009, administrative expenses increased by 45.7% to HK$49,778,000 as compared to HK$34,173,000 in 2008. The increase was mainly due to the incurrence of more legal and professional fees for the acquisitions in media and media-related businesses.

As compared to 2008, other income and finance costs dropped by 49.8% to HK$36,081,000 and by 52.4% to HK$35,158,000, respectively as a result of the receipt of refundable deposit and loan receivable, and repayment of borrowings during the year.

Loss per share (basic) from continuing and discontinued operation for the year was HK16.73 cents (2008: earnings per share was HK0.28 cents) and the net asset value attributable to owners of the Company per share was HK$0.24 (2008: HK$0.43).

DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31st December, 2009 (2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

During the year ended 31st December, 2009, the Group was primarily engaged in the distribution and manufacture of cement and clinker business prior to the disposal of the manufacture function in September 2009. Since the second half of the year, the Group has diversified its businesses into the planning, production, publication, investment and distribution of television drama and film and organizing cultural and artistic exchange business in the PRC, network and mobile game business in the PRC, and securities trading and investments.

Change of Company Name

To reflect the Group's diversification into the media and media-related businesses in the PRC, the Group changed its company name from "Shanghai Allied Cement Limited" to "ChinaVision Media Group Limited" and the adoption of the new Chinese name "文化中國傳播集團有限公司". Such resolutions were passed at the Special General Meeting of the Company held on 9th September, 2009 and became effective on 14th October, 2009.

Cement and Clinker Business

For the year ended 31st December, 2009, the Group's sales volume of cement and clinker amounted to 1,788,000 tons (2008: 2,164,000 tons), representing a decrease of 17.4% as compared to that of 2008, and the turnover was HK$343,070,000 (2008: HK$552,847,000), representing a decrease of 37.9% as compared to that of 2008. The segment profit was HK$12,364,000 (2008: HK$49,637,000), representing a decrease of 75.1% as compared to that for the last year.

The decline in sales volume and turnover, and segment profit was resulted from the Group's disposal of the manufacturing business of cement and clinker in September 2009.

On 21st May, 2009, the Group announced to sell the entire issued share capital of a wholly-owned subsidiary of the Group, Shanghai Allied Cement Holdings Limited ("SACHL"), which together with its subsidiaries engaging in the manufacturing business of cement and clinker, at a total consideration of HK$200,000,000. Upon completion of the disposal on 16th September, 2009, the Group made a loss of HK$202,425,000.

Despite the cement and clinker business being profit making, the Group considered that the return was not commensurate with the Group's carrying cost in the investment of SACHL and its subsidiaries which, in turn, locked up substantial amount of resources in the fixed assets and working capital. In view of that, management believed it is best not to inject further cash into the manufacturing side of the cement business, to release locked-up resources and to use part of the proceeds to reduce high gearing level. Since then, the Group has fully focused on its media-related businesses and multi-media industry.

Media Business

During the year ended 31st December, 2009 and subsequent to the year end, the Group entered into a number of conditional acquisition agreements and arrangements (the "Acquisitions") to acquire indirect control and equity interests in certain PRC established companies, which mainly engage in the planning, production, publication, investment and distribution of television drama and film business in the PRC, network and mobile game business in the PRC, newspaper advertising agency and distribution business, newspaper website, mobile TV business and the provision of personalized information and entertainment services to mobile handset users via the Internet and other modern telecom technologies in the form of value-added services SMS, MMS, WAP, interactive voice response, Java applications and CRBT. Management is committed to developing the Group into a modern and innovative media enterprise, geared for innovation in the new media era.

During the year ended 31st December, 2009, the film, television programme and television drama series business brought the Group revenue of HK$45,752,000 with segment profit of HK$5,032,000. The mobile game business brought the Group revenue of HK$113,000 with segment loss HK$838,000.

On 19th June, 2009, the Group entered into a conditional equity transfer agreement with an independent third party to acquire 75% equity interests in 北京中盛千里傳媒文化有限公司 (in English, Beijing Zhong Sheng Qian Li Media Culture Company Limited ("Zhong Sheng Qian Li")) for a consideration of HK$1,278,000. RMB10,125,000 (equivalent to approximately HK$11,506,000) will be injected into the registered capital of Zhong Sheng Qian Li as working capital. The principal activities of Zhong Sheng Qian Li are similar to those of Xian Jinding. The transaction was completed on 9th July, 2009.

On 3rd July, 2009, a subsidiary of the Group entered into a conditional equity transfer agreement with an independent third party to acquire the entire issued share capital of Year Wealth Limited, which has indirect control and an effective interest of 51% of 西安金鼎影視文化有限公司 (in English, Xian Jinding Film, Television and Culture Company Limited ("Xian Jinding")) for a consideration of HK$58,273,000 which will be partly settled by the issuance of 60,000,000 ordinary shares of the Company at an agreed price of HK$0.6 each and partly settled by RMB19,600,000 (equivalent to approximately HK$22,273,000) in cash in form of capital injection on behalf of the minority shareholders. Pursuant to the agreement, 20,000,000 ordinary shares of the Company to be issued to the Vendor is subject to any reduction to the vender if the guaranteed Xian Jinding's profit after taxation for the year ended 31st December, 2009 of RMB15 million and for the year ending 31st December, 2010 of RMB26 million cannot be met. Upon completion of the acquisition on 30th September, 2009, the Group had indirect control and indirectly owned 51% equity interests in Xian Jinding. Xian Jinding is principally engaged in the planning, production, publication and investment of television drama series and film and organising cultural and artistic exchange activities in the PRC.

On 12th July, 2009, a subsidiary of the Company entered into a share transfer agreement with several independent third parties to purchase 51% equity interests of 天津唐圖科技有限公司（in English, Tianjin Tang Tu Technology Company Limited (“Tianjin Tang Tu”)）for an aggregate cash consideration of HK$7,284,000. RMB4,590,000 (equivalent to approximately HK$5,216,000) will be injected into the registered capital of Tianjin Tang Tu. Tianjin Tang Tu is principally engaged in the network and mobile game business in the PRC. This transaction was completed on 30th September, 2009.

On 12th September, 2009, the Group and its subsidiary entered into a conditional equity transfer agreement with an independent third party to purchase the entire issued share capital of Prefect Strategy International Limited (“Prefect Strategy”) for a consideration of HK$400,000,000 which will be partly settled in cash of HK$50,000,000 and partly by the issuance of convertible note in the principal amount of HK$350,000,000 by the Company. Pursuant to the conditional equity transfer agreement, upon completion of the acquisition, the Company will have indirect control and an effective interest of 70% in 北京北大文化發展有限公司 (in English, Beijing Beida Culture Development Company Limited (“Beida Culture”)) which in turn, holds 50% equity interests in 京華文化傳播有限公司（in English, JingHua Culture Broadcast Company Limited (“JingHua”)）. Both Beida Culture and JingHua are companies established in the PRC with limited liability. Upon completion of the acquisition, Beida Culture will have no assets and liabilities (including contingent liabilities) except for its 50% equity interests in JingHua, which mainly engages in the newspaper advertising agency business for Beijing Times and operating the newspaper website in the PRC. On 15th March, 2010, the ordinary resolutions for the acquisition of Prefect Strategy were duly passed by way of poll by the shareholders at the special general meeting. Apart from this and the completion of the financial and legal due diligence, certain other conditions precedent are yet to be completed as at the date of this report. Hence, this acquisition has not been completed.

Subsequent to the year end, on 10th February, 2010, the Group entered into a conditional equity transfer agreement with Time Zone Investments Limited to acquire Main City Limited ("Main City") at a consideration of HK$219,000,000 which will be partly settled by cash of HK$69,000,000 and partly by the issuance of convertible note in the principle amount of HK$150,000,000 by the Company. Upon completion, the Group will have indirect control and an effective interest of 30% in Beida Culture which will have no assets and liabilities (including contingent liabilities) save for its 50% equity interests in JingHua. On 16th April, 2010, the ordinary resolutions for the acquisition of Main City were duly passed by way of poll by the shareholders at the special general meeting. Apart from this and the completion of the financial and legal due diligence, certain other conditions precedent are yet to be completed as at the date of this report. Hence, this acquisition has not been completed. Upon completion of the acquisition of Prefect Strategy and Main City, the Group will have indirect control and effective interests of 100% in Beida Culture which in turn holds 50% equity interests in JingHua.

On 11th December, 2009, the Group entered into a conditional equity transfer agreement with an independent third party to acquire all the shares of Youline Technology Company ("Youline Technology") for an aggregate cash consideration of RMB25,000,000 (equivalent to approximately HK$28,250,000). Youline Technology is principally engaged in the provision of personalized information and entertainment services to mobile handset users via the Internet and other modern telecom technologies in the form of value-added services SMS, MMS, WAP, interactive voice response, Java applications and CRBT. This transaction was completed on 1st February, 2010.

On 18th December, 2009, the Group signed a cooperative agreement with Renminwang (www.people.com.cn) under The People's Daily to set up a joint venture company which will operate mobile TV business in the PRC. The joint venture company was set up on 1st April, 2010.

Other Businesses

On 28th April, 2009, the Group entered into an agreement with an independent third party to acquire the entire issued share capital of Right Point International Limited for a consideration of RMB26,000,000 (equivalent to approximately HK$29,380,000). Upon completion of the acquisition, the Group will have 25% of the registered capital in 廣西錦華大酒店 (in English, Guangxi Jinhua Hotel). This transaction has not yet been completed as at the date of this report.

During the year, the Group commenced the securities trading and investments business and recorded a segment profit of HK$4,684,000.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations, loans from principal bankers and financial institutions and equity financing. As at 31st December, 2009, the Group maintained cash reserves of HK$126,671,000 (2008: HK$74,238,000). As at 31st December, 2009, the equity attributable to equity holders of the Company amounted to HK$359,589,000 (2008: HK$313,074,000) with total borrowings of HK$17,081,000 (2008: HK$525,420,000). Following the placements and open offer completed during the year, the gearing ratio, calculated on the basis of the Group's net borrowings over total equity, has been substantially reduced from 144% in 2008 to nil as at 31st December, 2009. The Group has also twisted from net current liabilities to net current assets.

The Group conducted two placing activities and one open offer during the year under review in order to further strengthen its capital base and to expand the Group's media-related businesses and investments.

On 2nd January, 2009, the Group announced to place 145,000,000 placing shares to independent investors at a price of HK$0.27 per placing share. The net proceeds of approximately HK$37,867,000 from the placing were used for reduction of borrowings and for general working capital of the Group. The placing was completed in January 2009.

On 16th July, 2009, the Group announced another placing activity for placing 170,000,000 shares to independent investors at a price of HK$0.52 per placing share. The net proceeds of approximately HK$84,364,000 from the placing were used for expansion of media-related businesses and investments and for general working capital of the Group. The placing was completed on in July 2009.

In addition, the Group initiated an open offer of 437,197,521 offer shares at a price of HK$0.3 per offer share on the basis of one offer share for every two existing shares during 1st June to 4th June, 2009. The net proceeds from the open offer were approximately HK$124,400,000 and were used to reduce the borrowings and/or for investment when opportunities arise.

Foreign Exchange Fluctuation

The Group's operations are mainly located in mainland China and its transactions, related working capital and borrowing are primarily denominated in Renminbi and Hong Kong Dollars. The Group monitors its foreign exchange exposure and will consider hedging significant currency exposure should the need arise.

Charges on Assets

As at 31st December, 2009, held for trading investments of HK$57,822,000 were pledged to a financial institution as collateral mainly to secure short-term credit facilities granted to the Group. As at 31st December, 2008, buildings, land use rights and short-term bank deposits with respective carrying value of RMB71,300,000, HK$16,949,000 and HK$13,636,000 were pledged to banks and financial institutions as collateral to secure short-term credit facilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st December 2009, the Group, including its subsidiaries but excluding its associates, employed 92 (2008: 559) employees. The substantial drop of employees was mainly due to the disposal of the manufacture of cement and clinker business which accounted for a large portion of employee numbers. The remuneration policies of the Group are based on the prevailing market levels and the performance of the respective group companies and individual employees. These policies are reviewed on a regular basis.

RISK MANAGEMENT

During the year, the Group constantly reviewed the risk and credit control systems of its profit centres to improve the overall control system and mitigate the credit risk.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31st December, 2009, the Company has applied the principles of, and complied with, the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for certain deviations which are summarised below:

Code Provisions B.1.3 and C.3.3

Code provisions B.1.3 and C.3.3 stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee (the "Remuneration Committee") adopted by the Company are in compliance with the code provision B.1.3 except that the Remuneration Committee should review (as opposed to determine under the code provision) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management (as opposed to Directors and senior management under the code provision).

The terms of reference of the audit committee (the "Audit Committee") adopted by the Company are in compliance with the code provision C.3.3 except that the Audit Committee (i) should recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditor to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has discharged its duty to have an effective internal control system; and (iii) can promote (as opposed to ensure under the code provision) the coordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations are set out in the section "Corporate Governance Report" contained in the Company's annual report for the financial year ended 31st December, 2009. The Board has reviewed the terms during the year under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the terms of reference adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

Further information on the Company's corporate governance practices and details of the Company's deviations from certain code provisions of the CG Code during the year under review will be set out in the corporate governance report to be contained in the Company's 2009 Annual Report which will be sent to the Shareholders in April 2010.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2009.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December, 2009 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2009.

CHANGE OF CHIEF EXECUTIVE OFFICER

The Board of the Company announces the following changes with effect from 20 April 2010:–

1. Mr. Ng Qing Hai has resigned as the Chief Executive Officer of the Company to dedicate more time to his personal business. Mr. Ng will remain as an Executive Director and the President of the Company; and

2. Mr. Cui Bin has been appointed as the Chief Executive Officer of the Company in place of Mr. Ng.

Mr. Cui, 36, graduated from China Europe International Business School with a degree of MBA. Mr. Cui joined the People's Daily in 1997 for the management of the overseas edition of the advertising business. Since then, he has been active in the Chinese media market in the forefront of the operation. Founded the Beijing Times in 2001 in Beijing in cooperation with the People's Daily and social capital, Mr. Cui served as the deputy general manager of the advertising center of the Beijing Times. In 2003, he became the general manager of the Youth Daily in Shanghai and led the transformation of the newspaper. He took up the roles of executive director, chief marketing officer and executive vice president of Towona Media Holding Company Limited, a new media group invested by Baring Private Equity Asia, CDH Investments, Cathay Capital Group, Chengwei Ventures and Walden International, in 2006. Mr. Cui had been a committee member of the Shanghai Youth Federation and Department of Academic Committee of China Advertising Association. Not only did Mr. Cui accomplish outstanding performance in business, but he also achieved success in academia. He published many books such as "Advertising Practices in China", and was awarded "China's Top 10 Media Figures", "China's Top 10 Innovative Media Figures", "China's Top 10 Media Modern Figures", "New Media Leaders in China" and "China 100 Most Influential Media" and so on.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Ng for his valuable contribution to the Company during his tenure and also extend its warm welcome to Mr. Cui on his appointment.

By Order of the Board
ChinaVision Media Group Limited
Dong Ping
Chairman

Hong Kong, 20th April, 2010

As at the date of this announcement, the Board comprises Mr. Dong Ping (Chairman), Mr. Ng Qing Hai (President), Mr. Zhao Chao and Mr. Kong Muk Yin, being the Executive Directors; and Mr. Chen Ching, Mr. Jin Hui Zhi and Mr. Li Chak Hung, being the Independent Non-Executive Directors.