

The logo for SHIFANG, featuring the word "SHIFANG" in a stylized, italicized font. The letter "O" is replaced by a circular graphic element with a red and black gradient.

SHIFANG HOLDING LIMITED
十方控股有限公司

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

Stock Code 股份代號 : 1831

A large, abstract graphic composed of overlapping, semi-transparent circular and oval shapes in various shades of brown and tan, creating a layered, organic effect.

Annual Report **2010** 年報

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Corporate Information 公司資料

DIRECTORS

Executive Directors

Mr. Chen Zhi
Mr. Hong Pei Feng
Mr. Zhang Tie Zhu

Non-executive Director

Mr. Wang Ping

Independent non-executive Directors

Mr. Zhou Chang Ren
Mr. Wong Heung Ming, Henry
Mr. Zhuo Ze Yuan

COMPANY SECRETARY

Ms. Chan Ching Yi

AUTHORIZED REPRESENTATIVES

Mr. Chen Zhi
Ms. Chan Ching Yi

AUDIT COMMITTEE

Mr. Wong Heung Ming, Henry (*Chairman*)
Mr. Zhou Chang Ren
Mr. Zhuo Ze Yuan

REMUNERATION COMMITTEE

Mr. Zhou Chang Ren (*Chairman*)
Mr. Chen Zhi
Mr. Wong Heung Ming, Henry

NOMINATION COMMITTEE

Mr. Zhuo Ze Yuan (*Chairman*)
Mr. Chen Zhi
Mr. Wong Heung Ming, Henry

董事

執行董事

陳志先生
洪培峰先生
張鐵柱先生

非執行董事

王平先生

獨立非執行董事

周昌仁先生
黃向明先生
卓澤淵先生

公司秘書

陳靜儀女士

授權代表

陳志先生
陳靜儀女士

審核委員會

黃向明先生 (*主席*)
周昌仁先生
卓澤淵先生

薪酬委員會

周昌仁先生 (*主席*)
陳志先生
黃向明先生

提名委員會

卓澤淵先生 (*主席*)
陳志先生
黃向明先生

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6/F, San Shan Tower
59 Dongjie Street
Gulou District
Fuzhou, Fujian Province
PRC

PLACE OF BUSINESS IN HONG KONG

The Landmark 18/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

COMPLIANCE ADVISOR

CCB International Capital Limited

LEGAL ADVISORS TO OUR COMPANY

As to Hong Kong and U.S. law:

DLA Piper Hong Kong

As to PRC law:

Fujian HaoChen Law Firm

As to Cayman Islands law:

Maples and Calder

INDEPENDENT AUDITOR

PricewaterhouseCoopers

註冊辦事處

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

總部及中國主要營業地點

中國
福建省福州市
鼓樓區
東街59號
三山大廈6樓

香港營業地點

香港
皇后大道中15號
置地廣場公爵大廈18樓

合規顧問

建銀國際金融有限公司

本公司法律顧問

關於香港及美國法律：

歐華律師事務所

關於中國法律：

福建浩辰律師事務所

關於開曼群島法律：

邁普達律師事務所

獨立核數師

羅兵咸永道會計師事務所

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

PRINCIPAL BANKERS

China Construction Bank Co., Limited
China Merchants Bank Co., Limited

主要往來銀行

中國建設銀行股份有限公司
招商銀行股份有限公司

STOCK CODE

01831

股份代號

01831

COMPANY WEBSITE

<http://www.shifangholding.com>

公司網址

<http://www.shifangholding.com>

Financial Highlights and Summary 財務摘要及概要

RESULTS

業績

		For the year ended 31 December			
		截至十二月三十一日止年度			
		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	529,940	462,967	361,706	151,189
Gross profits	毛利	255,796	219,877	130,204	59,141
Operating profits	經營溢利	186,623	168,649	93,945	40,705
Profit/(loss) attributable to:	以下人士應佔溢利／(虧損)：				
(i) Equity holders of the Company	(i) 本公司權益持有人	161,095	140,819	79,775	31,588
(ii) Non-controlling interests	(ii) 非控股權益	(15)	(39)	(545)	572
Earnings per share – Basic (RMB cents)	每股溢利－基本(人民幣分)	0.2858	0.2564	0.1453	0.0575

ASSETS AND LIABILITIES

資產及負債

		For the year ended 31 December			
		截至十二月三十一日止年度			
		2010	2009	2008	2007
		二零一零年	二零零九年	二零零八年	二零零七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	1,285,003	499,588	364,599	245,655
Total debt	總債項	54,764	84,107	103,477	77,587
Total liabilities	總負債	213,417	197,808	203,599	167,885
Equity attributable to:	以下人士應佔權益：				
Equity holders of the Company	本公司權益持有人	1,071,114	301,293	160,474	76,699

Financial Highlights and Summary 財務摘要及概要

FINANCIAL RATIOS

財務比率

		For the year ended 31 December 截至十二月三十一日止年度			
		2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年
Gross profits margins:	毛利率：				
(i) Overall	(i) 整體	48.3%	47.5%	36.0%	39.1%
(ii) Newspaper advertising	(ii) 報紙廣告	41.9%	40.1%	30.4%	29.9%
(iii) Distribution management, consulting and printing services	(iii) 發行管理、諮詢及 印刷服務	56.2%	61.9%	62.8%	58.3%
(iv) Online services	(iv) 網絡服務	91.2%	92.2%	96.6%	91.5%
(v) Television and radio advertising	(v) 電視及電台廣告	14.8%	–	–	–
Operating margins	經營利潤率	35.3%	36.4%	26.0%	26.9%
Net margins	淨利潤率	30.4%	30.4%	21.9%	21.3%
Return on equity	股本回報率	15.0%	46.7%	49.4%	41.9%
Return on assets	資產回報率	12.5%	28.2%	21.7%	13.1%
Trade receivables turnover (days)	貿易應收款項週轉率(日)	141	106	84	71
Trade payables turnover (days)	貿易應付款項週轉率(日)	5	23	42	141
Gearing ratio	資本負債比率	4.3%	16.8%	28.4%	31.6%

Chairman's Statement 主席報告書



Chen Zhi 陳志
*Chairman, Chief Executive Officer
and Executive Director*
主席、首席執行官兼執行董事

In 2010, the media and advertising industries experienced stable and healthy growth in tandem with the rapidly expanding PRC economy, exhibited by a steady increase in revenue among printed media enterprises across the country. In this favorable climate, we strengthened our overall competitiveness in both the traditional and new media advertising markets through reinforcing our integrated printed media advertising platform, developing our digital media business and entering the radio advertising market. As a result, the Group recorded a significant year-on-year increase in both revenue and net profit of 14.4% in 2010.

The year marked not only the tenth anniversary, but also a new era of development for the Group. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited, widening the financing channel for our business expansion in the fast growing advertising industry. Capitalizing on this access to the international capital market, the Group attracted various renowned and influential investors, such as New World Strategic Investment Limited, Templeton Strategic Emerging

二零一零年，隨著中國經濟發展蓬勃，傳媒及廣告行業錄得穩定健康增長，全國印刷媒體收入穩步增長。本集團透過加強在印刷媒體的綜合廣告業務平台、推進數字媒體的廣告業務、開拓廣播媒體廣告的經營範圍，我們把握天時地利，加強了本集團在傳統媒體及新媒體廣告運營的綜合競爭力。為此，本集團於二零一零年錄得顯著的同比增長，收入及純利均增加14.4%。

年內，除了是本集團十年發展光陰，同時也是本集團踏入新的里程碑，集團於12月3日於香港聯合交易所有限公司主板上市，開拓了本集團的融資渠道，助力本集團在快速發展的廣告業中迅速佔領市場；同時讓本集團與國際資本市場接軌，透過引入多位知名、具影響力的策略投資者，包括新世界策略投資有限公司、鄧普頓新興市場基金及建銀國際資產管理有限公

Chairman's Statement 主席報告書

Markets Fund III, LDC, and CCB International Asset Management Limited and thereby obtained valuable capital and a more robust financial position to further our business development and enhance our overall value. These investors have also made telling contributions by offering their management and operating experience in various industries and enhancing our standard of corporate governance.

In addition to the “ten-year” foundation laid down in the past decade, our “Shifang”, or “tenfold capacity”, was also a key to our business development. Our tenfold capacity is represented by our all-round presence in the eight geographical directions (namely east, south, west, north, southeast, northeast, southwest and northwest) as well as sky and earth. Building on our diversified business and comprehensive “Shifang” cooperation network with all kinds of media, we have set ourselves to become an integrated media service provider for advertisers in various industries so as to establish our position as a multi-city operator. We have also striven to acquire a broader audience base and to make an impact on a wider group of people for our advertising customers using our integrated services spanning from advertisement design, content creation, printing and distribution to the organization of events.

司，不但優化了本集團的資本和財務實力，促進集團業務發展和價值提升，更貢獻了他們在各行各業的相關管理和營運經驗，並且加強企業管治水平。

除了我們的「十年」的快速發展史，我們的「十方」也對集團的業務發展具深層意義。「十方」，代表八方（東、南、西、北、東南、東北、西南、西北），以及天和地。而我們也致力於發展成為向多個行業的廣告商提供全方位的綜合媒體服務運營商，利用市場的分散性，透過所有「十方」的全媒體合作網絡，在中國獨樹一幟的多城市業務模式，以及從廣告設計、內容編輯、印刷發行到舉辦活動的一體化服務，為廣告商客戶覆蓋更多的受眾、影響更多的人群。



▲ Multi-City Operator in China 於中國的多城市業務模式

Chairman's Statement 主席報告書

While consolidating our strong position as a printed media service provider in second-tier and third-tier cities, we have also fostered additional printed media partners and extended our operation to appropriately capture opportunities in the rapidly emerging radio, internet and mobile phone advertising sectors, as well as the steadily growing television sector. Furthermore, we have expanded the coverage of our media operation through consolidating our customers and media resources. Our determination and strength were shown by the fact that we have secured a 5-year cooperation project with YangGuang DuShi, a subsidiary of China National Radio (中央人民廣播電台) and a national media enterprise, at the end of last year, and were granted the first internet publishing license for our new media business in Fujian at the beginning of this year. Meanwhile, the Group continued to innovate, introducing mobile reading platforms in order to quickly establish our foothold in the PRC mobile phone market and its 600 million subscribers. Furthermore, we continued to further the development of our client-end reading software for operating the iPhone, iPad and Android operating systems so as to strengthen our media coverage.

Looking forward to 2011, we expect the stable growth of the domestic media and advertising industries to persist as the PRC economy grows steadily and the consumption power of the Chinese public rises. In the future, we will continue to reinforce our market position as an integrated printed media service provider, improve our operations in the internet, radio and television segments, foster more media partners, innovate new media cooperation arrangements, consolidate resources, and further strengthen our comprehensive package sales team. We will provide higher value-added services to our customers while offering appropriate and diversified contents to their audiences. We will also forage in key regions that have been recently supported economically by the central government, such as the Bohai and Gulf of Tonkin regions, Northeastern and Central China and the Southeastern coastal region. As further reforms are expected for the PRC cultural industry, the Group plans to participate in the shareholding restructuring of printed media and consolidate our operational platform through equity investments that will transform our role from an agent or partner to that of a stakeholder.

我們在鞏固二、三線城市印刷媒體服務供應商的市場地位同時，發展更多印刷媒體合作夥伴，妥善地把握商機，不斷延伸至增長迅猛的電台業務、互聯網及手機廣告業務、穩步發展的電視業務，並且透過客戶、媒體資源整合，擴展媒體的影響範圍。去年年末本集團與國家級媒體—中央人民廣播電台附屬央廣都市的五年合作項目，及今年年初獲得福建省第一張新媒體的《互聯網出版許可證》牌照，均印證了我們的發展決心和雄厚實力。而本集團同時在不斷創新，推出手機閱讀平台，致力於快速搶佔中國六億的手機用戶市場；而我們仍在研發基於iPhone、iPad、Android等操作系統平台的閱讀客戶端軟件，加強我們的媒體覆蓋範圍。

展望二零一一年，隨著中國經濟持續穩步發展及居民消費水平的提升，我們預計中國的傳媒及廣告業將繼續穩步增長。在未來，我們將會繼續加強作為綜合印刷媒體服務供應商的市場地位，加快提升在互聯網、廣播、電視媒體的運營，增加合作媒體的數量、開拓媒體的合作方式、整合多方資源，加強全案營銷隊伍的建設，為客戶提供更高的附加值服務，也為讀者受眾帶來更健康、更多元的內容。我們也將會加強快速發展的市場，深化在中國渤海及北部灣地區、東北及華中地區以及東南沿海等國家近期經濟重點扶持發展的區域。隨著中國深入文化體制改革，本集團將會參與印刷媒體的股權改革，透過參股的方式，我們可以從代理合作經營者轉變為擁有股權的經營者，進一步維穩我們的經營平台。

Chairman's Statement

主席報告書

Leveraging on the Group's diversified, long-standing and unique cooperative relationship with printed media in various cities, as well as our cross-media network, integrated advertisement design capacity, diversified customer base and deep management experience, we are well positioned to capture the development opportunities arising from the rapidly growing advertising industry and our comprehensive cooperation with the media. Therefore, we are confident about creating long-term value for our shareholders and business partners. In the meantime, we will dutifully maintain our high level of corporate social responsibility while offering suitable and appropriate content to the public.

Last but not least, on behalf of the board of directors, I would like to express my sincere gratitude to our valuable shareholders, customers and business partners for their trust and continuing support. I would also like to thank the management and all staff for their professional and selfless contributions. Through our joint efforts and determination, we believe we will prevail and achieve greater success in the future.

Chen Zhi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 March 2011

憑借本集團與多城市印刷媒體、跨媒體的多元長期合作、獨特的媒體合作方式、一體化的廣告創新服務、廣闊的客戶基礎及豐富的管理經驗，伴隨廣告業蓬勃發展之天時，以及全方位媒體合作之地利，我們緊握業內的增長機遇，為股東及商業夥伴創造長遠價值。同時，我們將堅持秉承負責任的企業社會公民，致力於為受眾提供健康、良好的內容。

最後，本人代表董事會借此機會對我們尊貴的股東、客戶和商業夥伴的信任與不懈支持表示誠摯的感謝。同時，也感謝管理團隊和全體員工的專業及奉獻精神。我們將同心協力，銳意進取，相信必能於未來取得更大的成功。

陳志

主席、首席執行官兼執行董事

香港，二零一一年三月二十九日

BUSINESS REVIEW

The Group derives income from four major sources, namely (i) newspaper advertising; (ii) online services; (iii) distribution management, consulting and printing services; and (iv) television and radio advertising. As of 31 December 2010, the Group's businesses have extended to over 16 second-tier and third-tier cities across eight provinces in the PRC. The Group is set to offer one-stop solutions to advertisers and create value for our customers. Although the newspaper advertising business is our major revenue source, the Group is actively developing television and radio advertising, online services and digital media advertising businesses so as to provide comprehensive advertising services to advertisers.

During the year ended 31 December 2010, the PRC domestic economy grew steadily. Domestic consumption was boosted by a series of proactive economic stimulus measures launched by the central government, and the consumption growth in cities was particularly resilient. The advertising industry has experienced a strong rebound and rapid growth after the financial crisis. On the back of increased demand for advertising and marketing services in second-tier and third-tier cities in China, the Group recorded turnover of RMB529.9 million in 2010, representing an increase of 14.4% as compared to the corresponding period last year. Profit attributable to equity holders of the Company amounted to RMB161.1 million, representing an increase of 14.4% as compared to the corresponding period last year and 0.9% higher than the profit forecast of RMB159.7 million as stated in the Prospectus.

業務回顧

十方控股的業務主要分為(i)報紙廣告、(ii)網絡服務、(iii)分銷管理、諮詢及印刷服務與及(iv)電視及電台廣告四大方面，截至二零一零年十二月三十一日，本集團業務遍佈中國8個省份超過16個二、三線城市。本集團致力於提供一站式的解決方案予廣告客戶，為客戶創造價值。儘管報紙廣告為本集團的主要收入來源，集團亦在積極發展電視及電台廣告、網絡服務及數字媒體方面的廣告業務，務求為廣告客戶提供全方位的十方廣告服務。

於截至二零一零年十二月三十一日止年度內，中國內地經濟保持穩定發展。中央政府的經濟刺激方案積極鼓勵內需，令城市居民消費不斷提升，帶動廣告業在金融危機後迅速恢復高速增長。受惠於中國二、三線城市對廣告及產品推廣需求持續上升，本集團於二零一零年錄得營業額人民幣529.9百萬元，較去年同期上升14.4%；本公司權益持有人應佔溢利達人民幣161.1百萬元，較去年同期上升14.4%，較此前招股書預期的人民幣159.7百萬元高0.9%。

Management Discussion and Analysis 管理層討論及分析

Diversified advertiser base

After years of persistent and ambitious business expansion, the Group has developed a diverse customer base covering a wide spectrum of industries in the cities in which we operate, including consumer products, real estate, 3C (computer, communication and consumer products), telecommunications, home appliance retailing, automotive, home construction materials, healthcare and medical, education and classified ad sectors. Advertising for consumer products has been the Group's largest advertising source, followed by real estate, automotive, 3C (computer, communication and consumer products), medical institutions and medical and healthcare products. Our future strategy is to further increase the media placement amount and the proportion of consumer products advertising gradually.

We have professional teams who understand the needs of customers in their specific industries. Our customer relations team is responsible for planning and organising industry-oriented promotional events and activities. Both our customers and relevant industry participants are invited to participate in these activities in order to consolidate our relationship with existing advertisers and establish new business relationships with prospective customers.

多元化的廣告商客戶群

經過本集團多年來不斷積極開拓業務，我們已成功發展出一個多元化的廣告商客戶群，分佈於我們所在經營城市的不同行業，包括消費品、房地產、3C計算機通訊產品、通訊運營商、家電賣場、汽車、家居建材、醫療醫藥、教育與及分類廣告。按廣告投放量計算，消費品是本集團最大的收入來源，其次是房地產廣告、汽車、3C計算機通訊產品、醫療機構、藥品保健品廣告。本集團的未來策略是繼續逐步提升消費品類廣告的投放總量以及所佔的百分比。

為滿足我們客戶的獨特需要，我們擁有針對具體行業的專門團隊。我們的客戶關係團隊負責發展及籌辦以行業為主題的活動，並邀請我們的客戶及相關業內人士出席，旨在鞏固與現行廣告客戶的關係，並從而建立新的客戶關係。



Management Discussion and Analysis 管理層討論及分析

In order to further expand our customer base and attract more potential customers, we intend to introduce high quality advertising packages that address their marketing needs. These packages, created by our all-round and powerful design and content planning team, enhance the quality and broaden the range of value-added services offered by us to our customers. We also plan to implement Media Advertising Information Tracking System (MAITS) which will help us strengthen our local operation and provide more in-depth analysis on advertising data to customers who seek to advertise in different locations throughout the PRC.

Newspaper advertising

In 2010, the national newspaper advertising income exhibited stable growth while the Group achieved a growth rate of 9.9% in revenue, which outpaced the overall industry growth level. Newspaper advertising is the Group's biggest revenue source, with a turnover of RMB408.7 million for the year ended 31 December 2010, representing an increase of 9.9% as compared to the corresponding period last year and accounting for 77.1% of our aggregate turnover, which was mainly attributable to an overall increase in the number of advertisements placed by advertisers and the unit price of each advertisement.

As of 31 December 2010, the Group partnered with 11 publications in over 16 second-tier and third-tier cities across eight provinces in the PRC, including *Southeast Express*, *Lifestyle Express*, *Shenyang Evening News*, *Modern Life Daily*, *Yan Zhao Metropolitan Newspaper Jidong Edition*, *Southeast Business*, *Jinhua Daily*, *Jinhua Evening News*, *Dalian Daily*, *Changjiang Business* and *Central Guizhou Morning Post*. These newspapers have granted the Group exclusive rights to sell their advertising space. In connection with the sales of advertising space, we offer value-added one-stop advertising services solution such as target markets and readership analysis, content development and planning, design, layout development, editing and event organisation to our customers.

為擴大廣告客戶基礎和增強對目標廣告客戶的吸引力，我們擬進一步推出切合客戶營銷需求的優質廣告套餐，有關套餐由我們實力雄厚的設計及內容規劃團體設計，提升我們向客戶所提供的增值服務的質素及範圍。我們亦計劃推行媒體廣告監測系統(MAITS)，將有助我們鞏固當地經營業務，並為有意在中國不同地方投放廣告的客戶提供更深入的廣告數據分析。

報紙廣告

二零一零年全國報紙廣告收入穩步增長，本集團在這方面的增長高於同業水平，收入增長率達9.9%。報紙廣告收入為本集團的最主要收入來源。截至二零一零年十二月三十一日止年度，報紙廣告的營業額達人民幣408.7百萬元，較去年同期上升9.9%，佔集團總營業額的77.1%，主要受益於廣告客戶的投放量和廣告單價兩方面的提升。

截至二零一零年十二月三十一日，本集團共有11家合作媒體，遍佈中國8個省份超過16個二、三線城市，包括《東南快報》、《生活新報》、《瀋陽晚報》、《當代生活報》、《燕趙都市報（冀東版）》、《東南商報》、《金華日報》、《金華晚報》、《大連日報》、《長江商報》及《黔中早報》等。這些報紙向本集團提供出售報紙廣告位的獨家權。本集團隨後將廣告位與增值廣告服務包括分析目標市場及閱讀群、廣告構思及內容規劃、設計、版面編排、編輯及活動籌辦等項目組合起來，形成整套一站式的解決方案提供予廣告客戶。

Management Discussion and Analysis 管理層討論及分析



During the year ended 31 December 2010, the Group pro-actively optimised our operating strategy and services, and consolidated our resources, in accordance with the applicable regulations in various industries in the PRC. Following the introduction of advertising regulations by the central government on the medical and medicine industry in 2010 which places certain restrictions on the content of healthcare and medical advertisements, we have aggressively refined and rationalised our resources with the support of our long-standing advertising customers, readers and partners. Our initiative began in Fuzhou, Fujian where we have established strategic cooperation with experts from 10 public hospitals to serve readers by publishing health advice, consultation and features, thereby transforming newspaper advertisements into interactive materials between experts and readers, and provided policy-oriented solutions to advertisers at the same time.

於截至二零一零年十二月三十一日止年度內，本集團積極調整經營策略和服務方式，整合多方資源，積極應對中國對行業廣告的規管。由於二零一零年國家對醫療醫藥廣告出台新的廣告投放監管政策，對該行業的廣告內容進行了相當的要求，因此，我們在多年的廣告客戶、讀者及夥伴的支持下，進行了深度的資源整合。本集團首先以福建省福州為試點，與十家公立醫院的專家建立戰略合作，用健康諮詢、顧問、報紙健康專版等方式服務讀者市場，從簡單的報紙廣告轉變為專家與讀者之間的互動形式，為廣告商提供應對解決方案。

Management Discussion and Analysis 管理層討論及分析

To enhance our position as an integrated print media service provider and capture the opportunities brought by the national reform of the cultural industry, the Group will consider participating in the shareholding restructuring of newspaper media in the PRC and consolidate our operating platform through equity investment and cooperation. Meanwhile, the Group will continue to forage for multi-city media partners in key regions supported by the central government, such as the Bohai Bay and Gulf of Tonkin regions, Northeastern and Central China, and the Southeastern coastal China region, with an aim of expanding the market coverage and enhancing the market position of the Company. Furthermore, the Group will also consolidate and explore the information on our advertising customers and target readers over the years so as to further enhance the value of our customer services.

Online services

Leveraging the technology trend and increasing numbers of digital media, the Group has developed online services and digital media related business. The online services business derives its income and increases its profit mainly through publishing printed contents by digital means. During the year ended 31 December 2010, turnover of the Group's online services and digital media related businesses amounted to RMB65.3 million, accounting for 12.3% of the Group's total income and representing an increase of 38.8% as compared with the corresponding period last year.

為鞏固本集團作為綜合印刷媒體服務供應商的市場地位，以及捕捉國家文化體制改革所帶來的機會，本集團積極參與中國報紙媒體的股權改革，通過參股和合作令我們的經營平台更加穩定。同時，本集團進一步增加跨城市合作媒體的數量，積極發展國家近期經濟重點扶持的區域如渤海及北部灣地區、東北及華中地區以及東南沿海地區的合作，以完善公司的市場份額及提升市場地位。另外，本集團對多年廣告客戶和目標受眾等資料進行整合和深度挖掘，進一步提高本集團服務的附加價值。

網絡服務

科技發展日新月異，數字媒體的種類亦日益繁多，本集團亦在積極發展網絡服務及數字媒體相關業務。網絡服務部分，主要是通過電子發行印刷內容，提供收入來源和溢利增長。在截至二零一零年十二月三十一日止年度內，本集團在網絡服務和數字媒體業務的營業額達人民幣65.3百萬元，佔集團總收入的12.3%，與去年同期相比上升38.8%。



Management Discussion and Analysis

管理層討論及分析

After having received the written approval for the issuance of an internet publishing license by the General Administration of Press and Publication of the PRC at the end of 2010, we have accelerated the development of our Internet and digital publishing businesses. We are now enhancing the contents, functions and features of our website named Duk (www.duk.cn), including the posting of contents from different new sources, so as to attract younger readers who are more used to reading news and other information on the Internet instead of newspapers. Being one of the largest digital media publishing platforms in the PRC, this website mainly publishes electronic magazines, digital newspapers, online novels etc on its online platform. Currently, it has online publishing right agreements with over 40 publishers and 610 magazine publishing houses with 5,000 magazines as well as digital publishing cooperation with 16 daily, evening and commercial newspapers in various cities. Its total circulation of online novels amounted to over 120,000 volumes and the accumulated circulation of electronic periodicals, electronic magazines and digital newspapers has reached over 230 million volumes or pieces.

The Group is optimistic about the business and the growth potential of the mobile phone reading market. It is estimated that by 2013, sales in the PRC mobile reading market will reach RMB6,531 million with 369 million active subscribers, according to a survey by Analysys International. The Group continues to focus on the development of end-market wireless mobile reading platforms and has introduced client end platforms for operating systems compatible with iPhone, iPad and Android in order to create a closer bond with content providers such as newspapers, books and publishers, and strengthen the promotion and advertising of the platforms. The Group has built a wireless team in Beijing in 2010 for the launch of Duk WAP Website (讀客WAP網站) and Duk 讀客通 mobile phone reading software for Symbian systems. Meanwhile, the applications for software patents for Duk WAP Mobile Phone WEB Reading System V1.0 (讀客WAP手機在線閱讀系統v1.0) and Duk Mobile Phone Client End System V1.0 (讀客手機客戶端系統v1.0) have been approved.

本集團在二零一零年底獲得了中國國家新聞出版總署頒發之互聯網出版許可證後，加快發展我們在互聯網、電子出版等業務，正擴展我們的網站讀客網(www.duk.cn)的內容、功能及特色，包括發佈來自不同新來源的內容，旨在吸引習慣在網絡，而非通過報紙獲取新聞及其他信息的較年輕群體。讀客網作為中國最大的數字媒體發行平台之一，線上平台發行媒體主要類型有電子雜誌、數字報紙、網絡小說等。目前有超過40家出版社、610家雜誌商與5,000多種雜誌的網絡版權發行合作，以及與16家的都市日報、晚報及商報類數字報紙發行合作。網上網絡小說發行總量超過12萬本，累計總發行電子期刊、電子雜誌和數字報紙達2億3千多萬冊次。

本集團看好手機閱讀市場的業務發展機會，根據易觀國際的調查預計到二零一三年，中國手機閱讀市場銷售規模將達到人民幣6,531百萬元，活躍用戶達到3.69億人。本集團繼續重點發展無線移動終端閱讀平台，推出基於iPhone、iPad、Android等操作系統平台的閱讀客戶端軟件，加強與報紙、圖書、出版社等內容平台的合作，加強平台的推廣與宣傳。本集團於二零一零年在北京組建無線團隊，推出了讀客WAP網站與讀客通Symbian系統的手機客戶端軟件。同時，讀客WAP手機在線閱讀系統v1.0、讀客手機客戶端系統v1.0都順利通過了軟件著作權的申報。

Management Discussion and Analysis 管理層討論及分析

Distribution management, consultation and printing services

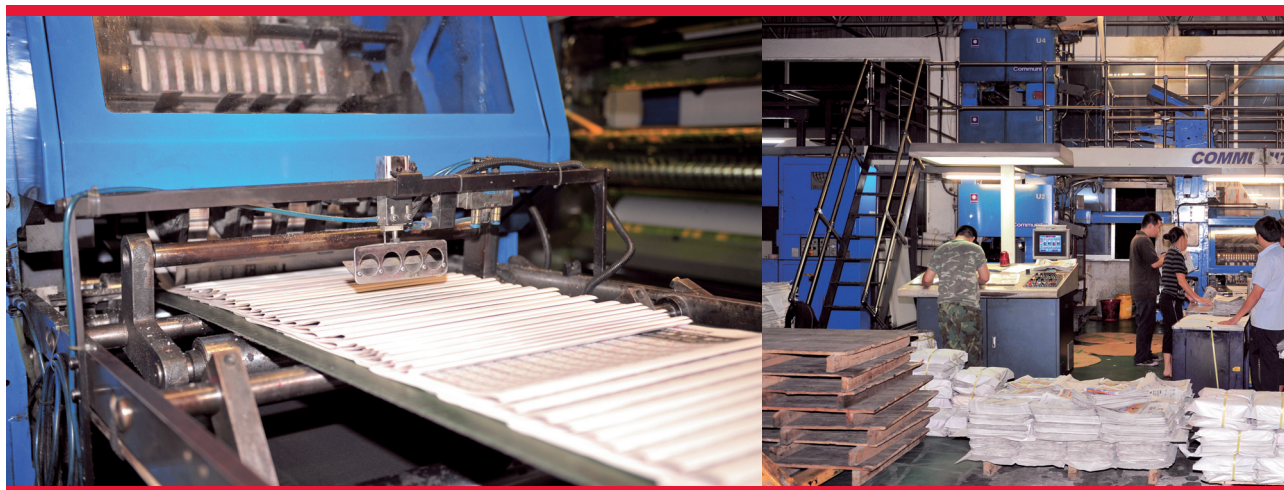
Turnover of the Group's distribution management, consultation and printing services amounted to RMB41.5 million for the year ended 31 December 2010, accounting for 7.8% of the Group's total income and representing a decrease of 5.9% as compared to the corresponding period last year. The decrease was mainly due to a drop in the income from outdoor distribution and promotional activities. We believe that such decrease was only temporary and remain confident in the prospect of our business in this sector.

The Group conducts direct sales of advertising services and space to customers, including both end-advertisers and advertising agents, for its distribution management and consultation businesses. Our sales force is organised according to customers by industry, and there are different dedicated teams serving key customers in the relevant industries. In addition, we have established key customer centers which are responsible for certain key customers and direct referrals by our senior management. The sales and marketing team is responsible for formulating strategies to solicit new customers, as well as maintaining relationships with existing customers in order to boost revenue from them. Our sales and marketing department also works closely with the design and content provision teams to conduct analysis on advertisers' specific needs and provide feedback.

分銷管理、諮詢及印刷服務

截至二零一零年十二月三十一日止年度，本集團分銷管理、諮詢及印刷服務方面的業務營業額達人民幣41.5百萬元，佔集團總收入的7.8%，與去年同期相比下降5.9%，主要是戶外分銷推廣活動收入有所減少所致。但我們認為有關收入的減少只是暫時性，並依然對這一個板塊的業務發展充滿信心。

就分銷管理及諮詢而言，我們直接向客戶，包括最終廣告商及廣告代理銷售廣告服務及廣告位。我們的銷售人員按客戶行業分類組織，且有獨立的團隊負責相關行業的主要客戶。此外，我們設有多個主要客戶中心，專責與主要客戶及高管層直接推介的客戶提供服務。銷售及營銷團隊負責制定策略，發展新客戶，以及維持本集團與現有客戶的關係，並提高從該客戶群獲得的收入。本集團銷售及營銷人員同時與設計及內容製作團隊緊密合作，就廣告商的指定要求進行分析並反饋意見。



Management Discussion and Analysis

管理層討論及分析

On the other hand, our printing services are provided pursuant to our comprehensive cooperation contracts with *Southeast Express*, *Lifestyle Express* and *Central Guizhou Morning Post* and we charge them printing fees which are calculated based on the actual number of printed copies. Through the operation of printing services, we are able to achieve win-win situation with the publications under which not only have we better control over the print quality of their publications, but also strengthen the cooperation with these media.

Television and radio advertising

In terms of television and radio advertising, the major current projects of the Group relate to the real estate and automotive industries. Our television media business is principally built on the foundation of the existing printed media operation as an extended service to customers in the printed media business to enhance our comprehensive service capability. During the year ended 31 December 2010, turnover of the Group's television and radio advertising business amounted to RMB14.4 million, accounting for 2.7% of the Group's total income.

In 2010, the Group signed two advertising cooperation contracts with Nanning Television Station in Guangxi and Dalian Television Station in Liaoning, respectively. The Group obtained advertising time slots on four channels from Nanning Television Station for advertisements in respect of the automotive and related industries and the right to design and produce mini-programs and relevant advertisements focusing on the automotive industry, during which advertisements can also be aired. From Dalian Television Station, we obtained the right to sell all advertisements in relation to the real estate industry. Turnover from these two operations accounted for 66.1% of the turnover of our television advertising business. Given the healthy growth of the automotive and real estate industries, we believe the demand for advertising from these industries will continue to grow.

另一方面，本集團的印刷服務乃根據我們與《東南快報》、《生活新報》及《黔中早報》所簽署的全面合作合約而提供，而我們會按實際的印刷份數向他們收取印刷費。通過運營報紙印刷業務，本集團不但能對其刊物的印製質量實施控制，確保所刊登廣告的質量，而且更能與該等媒體鞏固其合作關係，達到與媒體之間的雙贏局面。

電視及電台廣告

就電視及電台廣告而言，本集團現時的項目主要為房地產和汽車行業相關廣告。電視媒體主要在本集團現有印刷媒體範疇開展，作為我們提供予印刷媒體客戶的延伸服務，提高了我們綜合配套的服務能力。截至二零一零年十二月三十一日止，本集團在電視及電台廣告方面的營業額為人民幣14.4百萬元，佔集團總收入的2.7%。

二零一零年，本集團分別與廣西的南寧電視台及遼寧的大連電視台簽訂了廣告合作合同。本集團獲得了南寧電視台四個頻道的廣告時間發佈汽車及相關行業的廣告，並且有權策劃並製作專注於汽車行業的小型節目和播放相應廣告。本集團與大連電視台的合作銷售房地產行業的所有廣告。該兩部分的營業額佔電視廣告營業額的66.1%，相信未來隨著汽車和房地產的健康發展，將會對相關廣告的持續需求。

Management Discussion and Analysis 管理層討論及分析

The Group intends to further explore its television advertising business and become one of the key service providers for television operators and related media resources. Building on our integrated media and event planning capability, we will increase our investment and scale of operation by implementing a comprehensive agency model which spans from designing unique advertisements on newspapers and printed media to television according to the overall marketing needs of customers. We are also currently negotiating with various potential television operators for partnership arrangement similar to our comprehensive/partial cooperation with newspapers.

During the year ended 31 December 2010, in tandem with the stable growth in newspaper advertising expenses, advertising expenses on radio across the PRC rose substantially in 2010. According to a market research conducted by CTR Market Research Co. Ltd. (央視市場研究), advertising expenses on radio surged by 33%, particularly as a result of a significant increase in the number of mobile users, and there is huge room for future growth. With our industry insight, and diversification strategy to develop to broadcast media resources in addition to existing newspapers and online digital media, the Group has secured a 5-year cooperation project with YangGuang DuShi (Beijing) Culture and Media Co. Ltd (央廣都市(北京)文化傳媒有限公司) ("YangGuang DuShi"), a subsidiary of China National Radio and a national media, at the end of last year, pursuant to which YangGuang DuShi authorises the Group to operate cooperative projects in relation to the development of radio stations on provincial, municipal and county levels. The parties are now conducting in-depth discussions to finalise details such as program purchasing, operation of advertisement timeslot and contracting of the operation of the entire frequency. Beijing Shifang Yizhi Company Limited (北京十方意智文化傳播有限公司), the project company of the Group, has commenced operation in March 2011.

本集團計劃進一步拓展電視廣告方面的業務，致力打造為一間主要的電視媒體運營商和媒介資源的銷售商。我們會加大投資和運營規模，在立足於媒介整合、活動策劃的基礎上，開啟立體化的代理模式，根據整體推廣需求，為客戶打造特色欄目，形成印刷報媒加電視媒體的整合模式。目前我們亦與多家潛在的電視媒體商討形成類似我們與報紙的全面合作／部分合作的夥伴關係。

於截至二零一零年十二月三十一日止年度內，在報紙廣告花費穩定增長的狀況下，二零一零年的全國電台廣告花費激增，根據央視市場研究調查數據顯示，電台廣告花費激增33%，未來市場潛力巨大，特別是移動收聽人群的增加顯著。本集團洞悉先機，於去年年底獲得國家級媒體—中央人民廣播電台附屬央廣都市(北京)文化傳媒有限公司授權推廣發展省級、市級、縣級的5年合作項目，擴充除報紙媒體、網絡數字媒體外的廣播媒體資源。目前雙方正開展工作，就節目購買、廣告時段經營、全頻率承包經營等方面展開深入探討。本集團用於運營該項目的北京十方意智文化傳播有限公司已於二零一一年三月份正式投入營運。

Management Discussion and Analysis

管理層討論及分析

We believe the radio advertising business will become an important growth driver of the Group. It will offer a wider group of audiences, in particular mobile users and other demographic. This will diversify the Group's business, help advertisers reach out to more people and reinforce the competitive strength of the Group's integrated media platform.

Listing of the Group

The Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 December 2010 and was supported by well-known investment institutions and investors, thereby successfully raised net proceeds of RMB402.6 million. Capitalising on this access to international capital markets, the Group has obtained valuable operating resources and achieved better financial position to capture the opportunities in cross-media, multiple-content and multi-city business development as well as the consolidation of the PRC advertising market.

FINANCIAL REVIEW

Revenue

Total revenue increased by 14.4% from RMB463.0 million for the year ended 31 December 2009 to RMB529.9 million for the year ended 31 December 2010, primarily because of the revenue from newspaper advertising of *Southeast Express*, *Shenyang Evening News*, *Lifestyle Express*, *Modern Life Daily*, *Central Guizhou Morning Post* etc. increased by 9.9% from RMB371.8 million for the year ended 31 December 2009 to RMB408.7 million for the year ended 31 December 2010. Our revenue from online services increased by 38.6% from RMB47.1 million for the year ended 31 December 2009 to RMB65.3 million for the year ended 31 December 2010. The substantial increase in our advertising revenue was attributable to an overall increase in the number of advertisements placed by advertisers and the unit price of each advertisement. Revenue from our comprehensive cooperation contracts accounted for approximately 83% of our total newspaper advertising revenue for the year ended 31 December 2010. As at 31 December 2010, the new television and radio advertising business recorded an income of RMB14.4 million in 2010.

我們相信電台廣告業務將會為本集團的業務發展揭開新的一頁，將為不同類別的客戶提供更多元的受眾接觸範圍，特別是移動人群的覆蓋面，令本集團的業務更趨多元化，幫助廣告商覆蓋更多的人群，增強本集團的跨媒體整合競爭力優勢。

集團上市

本集團於二零一零年十二月三日於香港聯合交易所有限公司上市，受到眾多知名投資機構和投資者的親睇，成功籌集資本為人民幣402.6百萬元。通過國際資本平台，本集團獲得更優質的經營資源和具備最佳的財務實力，尋求跨媒體、跨內容、跨城市運營的發展機會，充分把握中國廣告市場的整合機遇。

財務回顧

收益

總收益由截至二零零九年十二月三十一日止年度的人民幣463.0百萬元增加14.4%至截至二零一零年十二月三十一日止年度的人民幣529.9百萬元，主要因東南快報、沈陽晚報、生活新報、當代生活報以及黔中早報等報紙廣告的收益由截至二零零九年十二月三十一日止年度的人民幣371.8百萬元增至截至二零一零年十二月三十一日止年度的人民幣408.7百萬元，增幅達9.9%。網絡服務收益由截至二零零九年十二月三十一日止年度的人民幣47.1百萬元增至截至二零一零年十二月三十一日止年度的人民幣65.3百萬元，增幅達38.6%。我們的廣告收益大幅增加乃因廣告客戶的投放量和廣告單價兩方面均有提升。截至二零一零年十二月三十一日止年度，我們全面合作合約收益佔我們總報紙廣告收益約83%。截至二零一零年十二月三十一日，二零一零年度新增加的電視和電台廣告業務取得收入人民幣14.4百萬元。

Management Discussion and Analysis 管理層討論及分析

Cost of sales

Our cost of sales increased by 12.8% from RMB243.1 million for the year ended 31 December 2009 to RMB274.1 million for the year ended 31 December 2010, primarily as a result of an increase in costs resulting from the increase in income from the newspaper advertising business and the new television and radio advertising projects.

Gross profit and gross profit margin

Gross profit increased by 16.3% from RMB219.9 million for the year ended 31 December 2009 to RMB255.8 million for the year ended 31 December 2010, which was derived from the newspaper advertising, the internet services and the new television and radio advertising businesses commenced in 2010. Our gross profit margin increased from 47.5% in 2009 to 48.3% in 2010. The increase was mainly due to a rise in the gross profit margin of the newspaper advertising business.

Other income

Other income increased by 57.4% from RMB6.1 million for the year ended 31 December 2009 to RMB9.6 million for the year ended 31 December 2010, primarily as a result of the financial subsidies granted by government bodies and an increase in the income from other operating activities.

銷售成本

我們的銷售成本由截至二零零九年十二月三十一日止年度的人民幣243.1百萬元增加12.8%至截至二零一零年十二月三十一日止年度的人民幣274.1百萬元，主要由於報紙廣告收入增加帶來的成本增加以及新增的電視和電台廣告項目的成本增加。

毛利及毛利率

毛利由截至二零零九年十二月三十一日止年度的人民幣219.9百萬元增加16.3%至截至二零一零年十二月三十一日止年度的人民幣255.8百萬元，報紙廣告、網絡服務以及二零一零年度新增的電視和電台廣告取得。我們的毛利率由二零零九年的47.5%增至二零一零年的48.3%。主要是由於報紙廣告毛利率增加所致。

其他收入

其他收入由截至二零零九年十二月三十一日止年度的人民幣6.1百萬元上升57.4%至截至二零一零年十二月三十一日止年度的人民幣9.6百萬元，主要原因是主要是由於政府部門給予的財政補貼收入以及其他活動業務收入的增加所致。

Management Discussion and Analysis

管理層討論及分析

General and administrative expenses

Our general and administrative expenses increased by 49.4% from RMB34.8 million for the year ended 31 December 2009 to RMB52.0 million for the year ended 31 December 2010, mainly because of the implementation of the share option schemes and the provision for bad debt. Our general and administrative expenses as a percentage of our gross revenue increased from 7.5% in 2009 to 9.8% in 2010. We have strictly controlled administrative expenses according to our budget, which has effectively restrained the increases in general and administrative expenses as our business expanded in 2010.

Selling and marketing expenses

Our selling and marketing expenses increased by 18.6% from RMB22.6 million for the year ended 31 December 2009 to RMB26.8 million for the year ended 31 December 2010, mainly because of an increase in compensation paid to our sales team. This increase was in line with the increase in our revenue as we pay commissions to our sales personnel based on sales volume. In addition, we have hired additional sales personnel. Our selling and marketing expenses as a percentage of our gross revenue increased slightly from 4.9% in 2009 to 5.1% in 2010.

Profit before income tax

As a result of the foregoing factors, our profit before income tax for the year ended 31 December 2010 was RMB185.4 million, representing an increase of 12.1% as compared to RMB165.4 million for the year ended 31 December 2009.

一般及行政開支

一般及行政開支由截至二零零九年十二月三十一日止年度的人民幣34.8百萬元增加49.4%至截至二零一零年十二月三十一日止年度的人民幣52.0百萬元，主要因為期權計劃的實施以及壞賬撥備的影響我們的一般及行政開支佔總收益的百分比由二零零九年的7.5%增加至二零一零年的9.8%。我們按預算嚴格控制行政開支，有效控制一般及行政開支隨業務於二零一零年擴張而增加。

銷售及營銷開支

我們的銷售及營銷開支由截至二零零九年十二月三十一日止年度的人民幣22.6百萬元增加18.6%至截至二零一零年十二月三十一日止年度的人民幣26.8百萬元，主要原因是支付給銷售團隊的薪酬增加。這項增加與我們的收益增加相符，因為我們按銷量向銷售人員支付酬金。此外，我們已增聘銷售人員。我們的銷售及營銷開支佔總收益的百分比由二零零九年的4.9%微增至二零一零年的5.1%。

除所得稅前溢利

除所得稅前溢利由於上述因素，我們於截至二零一零年十二月三十一日止年度錄得除所得稅前溢利人民幣185.4百萬元，較截至二零零九年十二月三十一日止年度的人民幣165.4百萬元增加12.1%。

Management Discussion and Analysis 管理層討論及分析

Income tax expenses

Income tax expenses slightly decreased by 0.8% from RMB24.6 million for the year ended 31 December 2009 to RMB24.4 million for the year ended 31 December 2010 as a result of the preferential tax treatments enjoyed by certain subsidiaries. Also, our effective tax rates decreased from 14.9% for the year ended 31 December 2009 to 13.1% for the year ended 31 December 2010.

Profit for the year

As a result of the foregoing factors, our profit for the year increased by 14.4% from RMB140.8 million for the year ended 31 December 2009 to RMB161.1 million for the year ended 31 December 2010.

Profit/loss attributable to non-controlling interests

Our loss attributable to non-controlling interests decreased from RMB39,000 for the year ended 31 December 2009 to RMB15,000 for the year ended 31 December 2010.

Profit attributable to equity holders of the Company

As a result of the foregoing, profit attributable to equity holders of the Company increased by 14.4%, from RMB140.8 million for the year ended 31 December 2009 to RMB161.1 million for the year ended 31 December 2010.

所得稅開支

所得稅開支由截至二零零九年十二月三十一日止年度的人民幣24.6百萬元微跌0.8%至截至二零一零年十二月三十一日止年度的人民幣24.4百萬元，原因為部分子公司享有稅收優惠政策所致。此外，我們的實際稅率由截至二零零九年十二月三十一日止年度的14.9%減至截至二零一零年十二月三十一日止年度的13.1%。

年度溢利

由於上述因素，我們的年度溢利由截至二零零九年十二月三十一日止年度的人民幣140.8百萬元增加14.4%至截至二零一零年十二月三十一日止年度的人民幣161.1百萬元。

非控制權益應佔溢利／虧損

我們的非控制權益應佔虧損由截至二零零九年十二月三十一日止年度的人民幣39,000元減至截至二零一零年十二月三十一日止年度的人民幣15,000元。

本公司權益持有人應佔溢利

由於上述因素，本公司權益持有人應佔溢利由截至二零零九年十二月三十一日止年度的人民幣140.8百萬元增加14.4%至截至二零一零年十二月三十一日止年度的人民幣161.1百萬元。

Management Discussion and Analysis

管理層討論及分析

Liquidity and capital resources

流動資金及資本資源

		Year ended 31 December	
		截至十二月三十一日止年度	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動產生的現金淨額	66,762	48,264
Net cash used in investing activities	投資活動動用的現金淨額	(154,834)	(1,985)
Net cash generated from/(used in) financing activities	融資活動產生/(動用)的現金淨額	593,430	(16,370)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	505,358	29,909
Cash and cash equivalents at the beginning of the year	年初的現金及現金等值項目	40,643	10,734
Cash and cash equivalents at the end of the year	年末的現金及現金等值項目	546,001	40,643

Cash flow from operating activities

For the year ended 31 December 2010, net cash generated from operating activities amounted to RMB66.8 million, primarily attributable to profit before tax of RMB185.4 million, which was offset by an increase in trade receivables of RMB112.7 million as well as an increase in advances and deposits paid to newspaper partners resulting from the increase in advertising income for the year.

經營活動現金流量

截至二零一零年十二月三十一日止年度，經營活動產生的現金淨額為人民幣66.8百萬元，主要由於除稅前溢利達人民幣185.4百萬元，而年內廣告收入增加令貿易應收款項增加人民幣112.7百萬元、以及付予報紙伙伴的墊款及按金隨廣告收入的增加有所抵銷。

Management Discussion and Analysis

管理層討論及分析

Cash flow used in investing activities

For the year ended 31 December 2010, net cash used in investing activities amounted to RMB154.8 million, resulting primarily from the prepayment for long term investment of RMB98.0 million, deposit paid to a new comprehensive cooperative media partner of RMB32.0 million, payments for the additions of plant and equipment such as printing equipment and office fixtures of RMB24.0 million and payments for the additions of intangible assets of RMB1.0 million.

Cash flow from financing activities

For the year ended 31 December 2010, net cash used in financing activities amounted to RMB593.4 million, primarily attributable to the capital contribution by equity holders in January 2010 and the net proceeds from the Global Offering of the Company's shares.

Capital expenditures

Our business generally does not require significant ongoing capital expenditures. We incur capital expenditures mainly for the purchase of printing machinery and office equipment. Our capital expenditures were RMB2.0 million and RMB24.0 million for the years ended 31 December 31 2009 and 31 December 2010, respectively.

投資活動現金流量

截至二零一零年十二月三十一日止年度，投資活動動用的現金淨額為人民幣154.8百萬元，主要為預付長期投資款項人民幣98.0百萬元、支付新增加全面合作媒體押金人民幣32.0百萬元、支付購置印刷設備、辦公室裝修等廠房及設備款項人民幣24.0百萬元以及購置無形資產支出人民幣1.0百萬元。

融資活動現金流量

截至二零一零年十二月三十一日止年度，融資活動動用的現金淨額為人民幣593.4百萬元，主要為權益持有人於二零一零年一月進行資本注資及全球發售所得淨額的資金。

資本支出

我們的業務一般不需要大量持續資本支出。我們的資本支出主要用於購置印刷機器及辦公設備。我們截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度的資本支出分別為人民幣2.0百萬元及人民幣24.0百萬元。

Management Discussion and Analysis

管理層討論及分析

Trade receivables – net

The following table sets out the aging analysis of our trade receivables at the dates indicated:

貿易應收款項－淨額

下表載列於所示日期本集團貿易應收款項的賬齡分析：

		As at 31 December	
		截至十二月三十一日	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
Aging analysis of trade receivables		人民幣千元	人民幣千元
貿易應收款項的賬齡分析			
1 – 30 days	1至30日	33,373	32,102
31 – 60 days	31至60日	26,661	19,180
61 – 90 days	61至90日	20,510	9,451
91 – 365 days	91至365日	142,671	80,306
Over 1 year	1年以上	38,584	14,995
Total	總計	261,799	156,034
Less: provision for impairment of trade receivables	減：貿易應收款項的減值撥備	(7,170)	(1,732)
Total trade receivables – net	總貿易應收款項淨額	254,629	154,302

Our trade receivables increased by 65.0%, from RMB154.3 million as at 31 December 2009 to RMB254.6 million as at 31 December 2010 mainly because of the increase in the incomes from newspaper advertising, internet services and television and radio advertising businesses. Trade receivables turnover days increased from 106 days for the year ended 31 December 2009 to 141 days for the year ended 31 December 2010 primarily due to the increase in sales to our major customers and internet services customers who enjoy longer credit periods.

我們的貿易應收款項由截至二零零九年十二月三十一日的人民幣154.3百萬元增加65.0%至截至二零一零年十二月三十一日的人民幣254.6百萬元，主要是報紙廣告、網絡服務以及電視及電台廣告收入增加所致。截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度，貿易應收款項周轉日數由106日增加至141日，主要是由於我們對一般享有較長信貸期的主要客戶及網絡客戶的銷售增加所致。

Management Discussion and Analysis 管理層討論及分析

Assets held for sale

The properties for which we are given the contractual right to sell under these arrangements are held under the line item “assets held for sale”. The following table sets out the aging analysis of our assets held for sale at the dates indicated:

持作出售資產

本集團根據該等安排獲得合同出售權的物業乃根據「持作出售資產」項目持有。下表載列於所示日期我們持作出售資產的賬齡分析：

		As at 31 December 截至十二月三十一日	
		2010 二零一零年	2009 二零零九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Properties held for sale	持作出售物業	<u>29,848</u>	<u>22,885</u>

We recognise revenue from advertising services upon obtaining the contractual rights to sell the relevant properties. We recognised such revenue from the relevant real estate customers in the amount of RMB22.9 million and RMB29.8 million for the years ended 31 December 2009 and 31 December 2010, respectively, which accounted for 4.9% and 5.6% of our total revenue, respectively. For the same periods, the amount of proceeds we received from the sales of such properties was RMB6.6 million and RMB10.9 million, respectively. The increase was mainly due to an increase in sales income from advertising for the real estate industry.

本集團於獲得出售相關物業的合約權利時確認銷售廣告服務的收益。截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度，我們確認該等來自相關房地產客戶的收益金額分別為人民幣22.9百萬元及人民幣29.8百萬元，分別佔我們總收益各為4.9%及5.6%。同期，我們自出售物業收取的所得款項分別為人民幣6.6百萬元及人民幣10.9百萬元。主要是房地產行業廣告銷售收入增加所致。

Management Discussion and Analysis

管理層討論及分析

Trade payables

貿易應付款項

		As at 31 December	
		截至十二月三十一日	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
Trade payables	貿易應付款項	人民幣千元	人民幣千元
1 – 30 days	1至30日	1,463	1,751
31 – 90 days	31至90日	808	441
Over 90 days	90日以上	1,893	1,530
Total	總計	4,164	3,722

Our trade payables increased by 13.5%, from RMB3.7 million as at 31 December 2009 to RMB4.2 million as at 31 December 2010, primarily attributable to an increase of payable to the suppliers of newspaper and television advertising. Our trade payables turnover days decreased from 23 days for the year ended 31 December 2009 to 5 days for the year ended 31 December 2010, which was mainly due to the reduction in purchases of newsprint since 2008 and the fact that the payment terms of the purchasing payments for newsprint have been historically longer.

我們的貿易應付款項由截至二零零九年十二月三十一日的人民幣3.7百萬元增加13.5%至截至二零一零年十二月三十一日的人民幣4.2百萬元，主要是因為我們應付予報紙及電視廣告供應商費用增加。截至二零零九年十二月三十一日及二零一零年十二月三十一日止年度的貿易應付款項周轉日數由23日減少至5日，主要因為二零零八年開始減少了新聞紙的購買量，而新聞紙採購款在歷史上欠款周期較長。

Management Discussion and Analysis 管理層討論及分析

Indebtedness

Our indebtedness consists of obligations to our lenders, including commercial banks and certain related parties and companies. The following table shows our total borrowings at the dates indicated:

		As at 31 December	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
Borrowings	借款	人民幣千元	人民幣千元
Short-term bank loans, secured	短期銀行貸款，已抵押	50,000	44,520
Other loan	其他貸款	4,607	2,740
Loans from related parties	關連人士貸款	157	36,847
Total	總計	54,764	84,107

Our total borrowings amounted to RMB84.1 million and RMB54.8 million as at 31 December 2009 and 31 December 2010, respectively. As at 31 December 2010, we had unutilised bank facilities of RMB5.0 million.

Our loans include borrowings secured by our equipment and investment properties with carrying value amounted to RMB44.5 million and RMB50.0 million for the years ended 31 December 2009 and 31 December 2010, respectively.

Our gearing ratio decreased from 16.8% as at 31 December 2009 to 4.3% as at 31 December 2010 primarily due to increases in our cash and cash equivalents, trade receivables, and prepayments, deposits and other receivables, and a decrease in our loans from related parties.

債項

我們的債項包括欠貸款人（包括商業銀行及若干關連人士公司）的債項。下表載列本集團截至所示日期的借款總額：

		As at 31 December	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
Borrowings	借款	人民幣千元	人民幣千元
Short-term bank loans, secured	短期銀行貸款，已抵押	50,000	44,520
Other loan	其他貸款	4,607	2,740
Loans from related parties	關連人士貸款	157	36,847
Total	總計	54,764	84,107

截至二零零九年十二月三十一日及二零一零年十二月三十一日，本集團的借款總額分別達人民幣84.1百萬元及人民幣54.8百萬元。截至二零一零年十二月三十一日，未動用銀行融資為人民幣5.0百萬元。

我們的貸款包括以本集團設備及投資物業作抵押的借款，有關借款於截至二零零九年十二月三十一日及截至二零一零年十二月三十一日止年度的賬面值分別相等於人民幣44.5百萬元及人民幣50.0百萬元。

我們的資產負債比率由二零零九年十二月三十一日的16.8%下跌至二零一零年十二月三十一日的4.3%，主要是由於我們的現金及現金等值項目、貿易應收款項以及預付款項、按金及其他應收款項增加以及關連人士貸款的減少。

Management Discussion and Analysis

管理層討論及分析

Capital commitments

The future aggregate minimum advertising payments under non-cancellable exclusive advertising agreements are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Not later than 1 year	一年以下	248,279	254,939
Later than 1 year and not later than 5 years	一年以上及五年以下	606,819	499,098
Later than 5 years	五年以上	2,162,000	2,160,000
		3,017,098	2,914,037

Contingent liabilities

As at 31 December 2010, we had no contingent liabilities.

Human resources

As at 31 December 2010, we had approximately 977 full-time employees. Total staff costs including directors' remuneration for the year ended 31 December 2010 was approximately RMB49.8 million (2009: approximately RMB38.7 million). We offer competitive remuneration packages to our employees that include salaries, bonuses and share options to qualified employees.

資本承擔

不可撤銷獨家廣告協議的日後最低廣告付款總額如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
		248,279	254,939
		606,819	499,098
		2,162,000	2,160,000
		3,017,098	2,914,037

或有負債

截至二零一零年十二月三十一日，我們並無任何或有負債。

人力資源

截至二零一零年十二月三十一日，我們擁有約977名全職僱員。截至二零一零年十二月三十一日止年度的僱員成本總額（包括董事酬金）約為人民幣49.8百萬元（二零零九年：約人民幣38.7百萬元）。我們向僱員提供具競爭力的薪酬組合，包括薪金及向合資格僱員提供獎金及購股權。

Management Discussion and Analysis 管理層討論及分析

The compensation for the directors are evaluated by the remuneration committee and the committee makes recommendations to the Board. In addition, the remuneration committee conducts reviews of the performance, and determines the compensation structure, of our senior management.

The Company operates an employee share option scheme and the purpose of which is to provide incentive or reward to eligible persons who provide services to the Company for their contribution and continuing efforts to promote the interests of the Company, and for such other purposes as the Board may approve from time to time.

Prospect of the Industry and the Group

According to the China's Advertising Market 2010 Review by Nielsen, the aggregate advertising expenses on traditional media (including television, newspapers, magazines and radio) in the PRC in 2010 amounted to RMB668 billion, representing a growth of 10% from 2009. The Group anticipates that the PRC advertising market will continue to grow rapidly in 2011. Particularly, as the purchasing powers of the people in second-tier and third-tier cities are rising, the overall spending on advertising is set to grow further.

薪酬委員會負責評估董事薪酬，並向董事會作出建議。此外，薪酬委員會也會檢討高級管理層表現及制訂他們的薪酬結構。

本公司營辦一項僱員購股權計劃，據此，實體向合資格人士收取服務，另一方面就該等人士對本公司作出的貢獻及努力不懈地促進本公司利益以及董事會不時批准的其他原因給予鼓勵或獎賞。

行業及集團展望

根據尼爾森公司的《2010年中國廣告市場全年回顧報告》調查顯示，二零一零年中國廣告市場傳統媒體（包括電視、報紙、雜誌、電台）廣告花費總額達到人民幣6,680億元，相比二零零九年增長10%。本集團預計二零一一年的中國廣告市場仍持續蓬勃發展。特別是隨著二、三線城市居民消費水平的提升，勢必帶動整體廣告投入的增長。

Management Discussion and Analysis

管理層討論及分析

As the media sector in the PRC continues to grow, the emergence of target audience groups of both traditional and new media has driven the rapid development of integrated media. The Group firmly adheres to its integrated media marketing strategy and is positioned to benefit from this rapidly growing market with its competitive edge in terms of exclusive cooperation with the media, clear cost advantage and strong bargaining power. These strategies include: 1) establish multiple-content media operation: in addition to reinforcing its position as an advertising service provider for printed media, the Group will also extend our cooperation with media partners to offer integrated content design and more value-added services to advertisers; 2) secure multi-city exclusive operation: in view of the current need of multi-city business development among advertisers, we will continue to increase the number of exclusive printed media partners in order to acquire a larger number of audience for our customers; 3) operate across media: we will extend the coverage for our advertisers to different audience groups that a single media is unable to reach by using all kinds of advertisement available in the market. According to CTR Market Research Co. Ltd. (央視市場研究), 73.5% of the consumers in the major cities in the PRC came into contact with more than three types of media everyday in 2010. The Group identified this trend a long time ago and has established the "Shifang" (Ten Directions) integrated media marketing model to capture this enormous market. We will also continue to strengthen our cooperation with cross-media partners, especially the conventional but rapidly developing medium of radio and the more modern but complicated new media, with a view to offering varied and comprehensive advertising services.

中國的媒體文化消費逐漸清晰，對傳統媒體和新媒體的目標受眾人群也讓全媒體發展迅速。本集團已緊抓全媒體的營銷策略，繼續憑借與媒體獨家合作的優勢競爭力，享有顯著的成本優勢和強大的議價能力，為快速發展的市場做好準備，包括：1) 跨內容媒體運營：本集團除了繼續鞏固在印刷媒體廣告服務供應商外，與合作媒體深化合作內容，將為廣告商客戶提供一體化的內容策劃服務，提供更多增值服務；2) 跨城市獨家媒體運營：基於目前廣告商客戶在多城市的業務發展需求，我們將會繼續擴大我們的獨家合作印刷媒體，為客戶覆蓋更多城市的受眾人群；3) 跨媒體運營：對於廣告商而已，在目前紛繁的市場廣告中，使用單一媒體無法接觸所有的目標受眾。根據央視市場研究數據顯示，二零一零年73.5%的中國主要城市消費人群每日接觸三種以上的媒體。本集團早已洞悉該等行業趨勢，設立「十方」全媒體營銷模式提供廣博的市場，並且將會繼續加強跨媒體間的合作，特別是傳統而新發展的電台、新發展而複雜的新媒體等範疇，為客戶提供多渠道、全面的廣告服務。

Management Discussion and Analysis 管理層討論及分析

In addition, as the PRC is tightening its grip on the content of advertisements, particularly those of fast moving consumer goods, medicines and real estate, the Group will continue to offer a large variety of solutions to customers who need to comply with the regulations in the PRC. At the same time, we will also come up with new ideas and provide a wider range of content to the target audience using our advertisement content design ability. The Group is fully committed to social responsibilities and takes into account social, ethical and cultural values when it designs, selects and publishes advertisements in an effort to establish a positive image for our customers and offer appropriate content to their target audience. We believe the Group is on the right track and will be able to operate in line with national policies and meet the needs of people at the same time, thus ensuring the healthy and sustainable development of the Group.

We believe that given the continuous and stable development of the PRC economy and with our cost advantage as a result of our cooperation with newspapers, unique multiple-content, multi-city and cross-media operation model and the joint effort of the Board, the management and our staff, the Group will be able to offer comprehensive “Shifang” integrated media solutions to our customers, maintain our steady growth momentum, become a leading integrated media advertising operator in the PRC and provide sustainable investment returns to investors.

此外，隨著中國對廣告內容監管的力度不斷加大，特別是在快速消費品、醫藥類、房地產類等廣告的監管，本集團將繼續為客戶提供多種解決方案，順應中國的規管條例。同時，我們也會不斷創新內容，利用廣告配合內容采編等方式，為目標受眾提供更豐富的內容。本集團時刻秉承著企業社會責任，在廣告內容設計、篩選、出版等方面均考慮社會道德規則和文化規範，致力於為客戶打造健康的形象、為目標讀者提供健康的內容。我們也相信本集團行走於行業間斷，未來將會更好地符合國家政策、民眾需求，保持本集團健康、持續的發展。

我們相信，隨著中國經濟持續穩步發展，憑借本集團享有與報紙合作關係帶來的顯著成本優勢，跨內容、跨城市、跨媒體的獨特運營模式，以及董事會、管理層及員工的齊心協力，十方控股必能為客戶提供「十方」的全媒體服務解決方案，保持穩健增長態勢，成為中國國內一流的整合媒體廣告運營商，並為投資者提供可持續的投資回報。

Directors and Senior Management Profile

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Chen Zhi (陳志), aged 45, is the chairman, chief executive officer and an executive Director. He is a qualified accountant as conferred by the Ministry of Finance. Mr. Chen was a cadre of the Fuzhou Minhou Tax Bureau from 1982 to 1989 (during which he was granted leave from 1985 to 1988 to pursue his studies at Fujian Radio and Television University), deputy section chief of the Fuzhou Economic and Technology Development Area Tax Bureau from 1989 to 1993, and subsequently the section chief from 1993 to 2002. He joined our Group in 2003 and pioneered our distinctive business model of cooperating with newspaper partners to provide integrated print media services to advertisers, undertook the main decision-making role in the management of our overall operations and oversaw the strategic development of our Group. He was appointed a Director of our Company on December 9, 2009. Mr. Chen has accumulated more than seven years of relevant experience from developing the business of our Group and possesses a deep understanding of the PRC print media and advertising industries. Mr. Chen graduated from Fujian Radio and Television University in 1988 with a diploma in financial economics. Mr. Chen is one of our controlling shareholders. He is also a director of TopBig International Development Limited (“TopBig International”) and China TopReach Inc. (“China TopReach”), a SPAC with its shares traded on the OTC Bulletin Board in the United States, and the spouse of Ms. Zheng Shou Ling.

執行董事

陳志先生，45歲，主席、首席執行官兼執行董事。他是財政部認可的合資格會計師。陳先生於一九八二年至一九八九年（期間他曾於一九八五年至一九八八年獲批准離職前往福建廣播電視大學深造）為福州閩候稅務局的一名幹部，於一九八九年至一九九三年為福州經濟技術開發區稅務局的副科長，其後於一九九三年至二零零二年擔任科長。他於二零零三年加入本集團，並開創本公司獨樹一幟的業務模式（即與報章合夥人合作，向廣告客戶提供綜合印刷媒體服務），在本公司整體經營管理中擔當主要決策角色及監督本集團的策略開發。他於二零零九年十二月九日獲委任為本公司的董事。陳先生於發展本集團業務方面積逾七年相關經驗，諳熟中國印刷媒體及廣告行業。陳先生於一九八八年畢業於福建廣播電視大學，獲經濟財政學文憑。陳先生為本公司控股股東之一。他亦為昇平國際發展有限公司（「昇平國際」）及中國天瑞控股有限公司（「中國天瑞」）的董事。中國天瑞為特別目的收購公司，其股份於美國場外交易議價板進行買賣。陳先生為鄭守齡女士的配偶。

Directors and Senior Management Profile 董事及高級管理層履歷

Mr. Hong Pei Feng (洪培峰), aged 45, is an executive Director. Mr. Hong was an administrative officer with Jimei Teachers College from 1985 to 1990, the general manager of Xiamen Yuanhong Group Co., Ltd, a real estate development company, from 1991 to 2000, and the general manager of Xiamen Yuantong Chuanbo Co., Ltd, a company engaged in the advertising business, from 2001 to 2003. He joined our Group in 2004, and was appointed the chairman of Olympia Media Holdings Limited (“Olympia Media”) from 2005 to 2007 before subsequently retiring from that role and assuming the position of its vice chairman in 2007 due to a reorganization of Olympia Media’s corporate structure. Mr. Hong is also a core management member who developed the business of Beijing HongXinTu Culture Communication Co., Ltd. (“Beijing HongXinTu”). Mr. Hong was appointed a Director of our Company on January 18, 2010 and currently also serves as the vice chairman of the China International Chamber of Commerce in Fujian Province. He graduated from Jimei Normal College (presently known as Jimei University) in 1985 with a diploma in Chinese. Due to Mr. Hong’s substantial experience in publication and distribution gained from his work with Olympia Media and Beijing HongXinTu, he has significant expertise in print media business management. Mr. Hong is one of our controlling shareholders. He is also a director of Blazing Sun Holdings Ltd. (“Blazing Sun”) and China TopReach, a SPAC with its shares traded on the OTC Bulletin Board in the United States.

洪培峰先生，45歲，執行董事。洪先生於一九八五年至一九九零年為集美師範學院的一名行政管理人員，並於一九九一年至二零零零年為房地產開發公司廈門元洪集團有限公司總經理，而於二零零一年至二零零三年出任廈門遠通傳播有限公司（一間從事廣告業務的公司）的總經理。他於二零零四年加入本集團，並於二零零五年至二零零七年獲委任為奧海傳媒集團有限公司（「奧海傳媒」）的主席，其後退任，並因奧海傳媒重組公司架構而於二零零七年起擔任副主席一職。洪先生亦為開拓北京鴻馨圖文化傳播有限公司（「北京鴻馨圖」）業務的核心管理層成員。洪先生於二零一零年一月十八日獲委任為本公司董事，現兼任福建省中國國際商會副主席。他於一九八五年畢業於集美師範專科學校（現稱「集美大學」），獲中文文憑。由於洪先生於奧海傳媒及北京鴻馨圖任職而累積有關出版及發行方面的豐富經驗，故洪先生在印刷媒體業務管理方面擁有明顯的專長。洪先生為本公司控股股東之一。他亦為驕陽控股有限公司（「驕陽」）及中國天瑞的董事。中國天瑞為特別目的收購公司，其股份於美國場外交易議價板進行買賣。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Zhang Tie Zhu (張鐵柱), aged 37, is an executive Director. He is a certified public accountant as conferred by the Ministry of Finance and a qualified lawyer as conferred by the Ministry of Justice of the PRC. Mr. Zhang was with Deloitte Touché Tohmatsu from 1994 to 2000, an investment director of TechFoster Technology Ventures Ltd. from 2000 to 2002, a senior manager with PricewaterhouseCoopers from 2002 to 2005, and an executive director of Chum Investment Corporation from 2006 to 2009. In 2009, Mr. Zhang was appointed as a director and subsequently the chief financial officer of China TopReach. Mr. Zhang is responsible for China TopReach's investor relations and regulatory compliance, including regular dealings with competent authorities such as the Securities and Exchange Commission. He joined our Group in 2010, and was appointed a Director of our Company on January 18, 2010 and our chief financial officer on February 15, 2010. He graduated from Hua Dong Industrial University in 1994 with a bachelor's degree in economics. Mr. Zhang possesses substantial financial experience from his previous work with venture capital firms and top global audit firms. Mr. Zhang is also a director of China TopReach, a SPAC with its shares traded on the OTC Bulletin Board in the United States.

NON-EXECUTIVE DIRECTOR

Mr. Wang Ping (王平), aged 41, is a non-executive Director. He is a senior accountant as conferred by the Fujian Provincial Department of Personnel. He also serves as a guest professor of the school of management at Xiamen University. In addition, Mr. Wang is a director of China Science & Kingwin (HK) Investment Management Limited ("China Science"), and Cypress Capital International Investment Management Limited, as well as Shenzhen Rainbow Fine Chemical Industry Co., Ltd, Shenzhen Beauty Star Co., Ltd. and Xiamen 35.com Technology Co., Ltd, all three of which are listed companies in the PRC. Mr. Wang was appointed a Director of our Company on January 18, 2010. He obtained his doctorate degree in management from Xiamen University in 2004.

張鐵柱先生，37歲，執行董事。他是中國財政部認可的註冊會計師並具有中國司法部授予的律師資格。他於一九九四年至二零零零年在德勤會計師事務所任職，於二零零零年至二零零二年為科創投資有限公司投資總監，於二零零二年至二零零五年為普華永道會計師事務所高級經理，於二零零六年至二零零九年為北京傳隆投資有限公司的執行董事。他於二零零九年獲委任為中國天瑞董事，其後兼任首席財務官，負責中國天瑞的投資者關係和法規適用方面的工作，包括與監管機構（如美國證監會）溝通等。他於二零一零年加入本集團，並於二零一零年一月十八日及二零一零年二月十五日分別獲委任為本公司董事及首席財務官。他於一九九四年畢業於華東工業大學，獲經濟學學士學位。張先生從其先前在創投公司及全球頂級審計公司的工作中獲得豐富的財務經驗。張先生亦為中國天瑞的董事。中國天瑞為特別目的收購公司，其股份於美國場外交易議價板進行買賣。

非執行董事

王平先生，41歲，非執行董事。他是福建省人事廳認可的高級會計師。他亦任廈門大學管理學院的客座教授。此外，王先生亦為中科宏易（香港）投資管理有限公司（「中科」）、龍柏國際投資管理有限公司以及深圳市彩虹精細化工股份有限公司、深圳市通產麗星股份有限公司及廈門三五互聯科技股份有限公司董事，該三家公司均於中國上市。王先生於二零一零年一月十八日獲委任為本公司董事。他於二零零四年取得廈門大學管理學博士學位。

Directors and Senior Management Profile 董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhou Chang Ren (周昌仁), aged 63, is an independent non-executive Director. He was appointed as our Director on November 8, 2010, and is a qualified senior economist as conferred by the Fujian Provincial Department of Personnel. Mr. Zhou was appointed as the chairman of the Qingliu Country Party Committee in 1990. He was engaged in the newspaper industry in the PRC and held several positions including the deputy bureau chief and editorial board member of Fujian Daily from 1996 to 2002, and the general manager, senior economist and Party Committee deputy secretary of the Fujian Daily Newspaper Group from 2002 to 2008. In addition, Mr. Zhou was the vice chairman and, later, chairman of the Fujian Province Newspaper Industry Association during the same periods, before retiring in 2008. He graduated from Fujian Provincial Party School of the CPC in 1986 with a diploma in politics. Mr. Zhou has extensive print media experience and expertise with particular knowledge of the Fujian newspaper industry.

獨立非執行董事

周昌仁先生，63歲，獨立非執行董事。他於二零一零年十一月八日獲委任為本公司董事，並獲福建省人事廳認可具有高級經濟師資格。周先生於一九九零年獲委任為中共清流縣黨委書記。周先生曾從事於中國的報紙行業，並擔任多種職務，包括於一九九六年至二零零二年為福建日報副社長及編委委員，以及於二零零二年至二零零八年為福建日報報業集團總經理、高級經濟師及黨委副書記。此外，周先生曾於同期在福建省報業協會先為副主席後升任為主席，直至二零零八年退休。他於一九八六年畢業於中共福建省委黨校，獲政治學文憑。周先生擁有豐富的印刷媒體經驗及專業知識，諳熟福建的報紙行業。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Wong Heung Ming, Henry (黃向明), aged 41, is an independent non-executive Director. He was appointed as our Director on November 8, 2010. Mr. Wong was an accountant with Deloitte Touché Tohmatsu from 1993 to 2002, an internal audit manager with Hong Kong and China Gas Investment Limited from 2002 to 2003, senior internal audit manager of Amway (China) Limited from 2003 to 2004, and a senior manager with PricewaterhouseCoopers from 2005 to 2007, internal audit director of Xinhua Finance Media Limited (presently known as Xinhua Sports & Entertainment Limited), a NASDAQ-listed company, from September 2007 to July 2009, and the general internal audit manager of Maoye International Holdings Limited (stock code: 848), a listed company in Hong Kong from October 2009 to May 2010. Mr. Wong was also an independent director of China Industrial Waste Management Inc., a company quoted on the OTC Bulletin Board, from 2009 to 2010. He graduated from City Polytechnic of Hong Kong in 1993 with a bachelor's degree in accountancy and also obtained a master's degree in electronic commerce from the Open University of Hong Kong in 2003 through part-time study. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants as well as a certified internal auditor. Mr. Wong has accumulated more than 17 years of financing, internal controls and auditing accounting experience from his previous positions with top global audit firms and listed companies.

黃向明先生，41歲，獨立非執行董事。他於二零一零年十一月八日獲委任為本公司董事。黃先生於一九九三年至二零零二年任德勤會計師事務所的會計師、於二零零二年至二零零三年為港華燃氣投資有限公司內部審計經理，於二零零三年至二零零四年為安利(中國)日用品有限公司高級內部審計經理，並於二零零五年至二零零七年任普華永道會計師事務所高級經理，二零零七年九月至二零零九年七月任納斯達克上市公司新華財經媒體有限公司(現稱新華悅動傳媒有限公司)的內部審計主管，於二零零九年十月至二零一零年五月任香港上市公司茂業國際控股有限公司(股份代號：848)內部審計總經理。黃先生於二零零九年至二零一零年亦任China Industrial Waste Management Inc. (一間於場外交易議價板報價的公司)的獨立董事。他於一九九三年畢業於香港城市理工學院，並獲取會計學學士學位，而二零零三年亦於香港公開大學兼讀並取得其電子商務碩士學位。他為英國特許公認會計師公會及香港會計師公會資深會員及持牌內部核數師。黃先生自其之前在全球頂級審計公司及上市公司的工作中積累逾17年財務、內部控制及審計方面的會計經驗。

Directors and Senior Management Profile 董事及高級管理層履歷

Mr. Zhuo Ze Yuan (卓澤淵), aged 48, is an independent non-executive Director. He was appointed as our Director on November 8, 2010. He is a qualified PRC lawyer and qualified professor as conferred by the Sichuan Provincial Department of Justice and Sichuan Provincial Leading Group of Professional Titles Reform in 1989 and 1995, respectively. Mr. Zhuo had taught at Southwest University of Political Science and Law in the 1990s and was subsequently appointed the vice-chancellor of Southwest University of Political Science and Law. He had been a professor in political science and law at the Central Party School of the CPC since 2003 and is currently a part-time lawyer with Beijing P.H. Law Firm. Mr. Zhuo has served in various legal institutes in the PRC and received various awards, including “China’s Top 10 Outstanding Young and Middle Aged Legal Scholars” awarded by the China Law Society in 1999. He is currently a committee member of the China Law Society. Mr. Zhuo obtained a bachelor’s degree and a master’s degree, both in law, from Southwest University of Political Science and Law in 1984 and 1990, respectively, and a doctorate in law from Chinese Academy of Social Sciences in 2000.

SENIOR MANAGEMENT

Mr. Yu Shi Quan (余詩權), aged 34, is the vice president of finance of our Company. He is a qualified accountant as conferred by the Ministry of Finance. Mr. Yu was an accountant at Fujian Lan Tian Tax Accounting Co., Ltd. from 1996 to 1997, the finance director of Fujian Huanyu Investment Development Co., Ltd from 1997 to 1998 and the finance director of Fujian ShiFang Investment Co. Ltd. (“Fujian Shifang”) from 1998 to 2000. He joined our Group in 2000 and was head of finance of Fujian ShiFang until 2008 when he became the head of finance of Olympia Media, and, subsequently, vice president of finance of China TopReach in 2009. He graduated from Fujian Radio and Television University in 1996 with a diploma in finance and accounting. Mr. Yu has gained significant management experience from his work with Fujian ShiFang and continues to assist our chief financial officer with the overall financial operations of our Group.

卓澤淵先生，48歲，獨立非執行董事。他於二零一零年十一月八日獲委任為本公司董事。他於一九八九年及一九九五年分別獲四川省司法廳授予合資格中國律師及四川省職稱改革工作領導小組授予合資格教授。卓先生於一九九零年代於西南政法大學任教，隨後獲西南政法大學委任為副校長。他自二零零三年起一直為中共中央黨校政法教授，現為北京市普華律師事務所兼職律師。卓先生曾在中國多個法律協會任職，獲得多項殊榮，包括一九九九年獲中國法學會頒授「中國十大傑出中青年法學家」。他現為中國法學會委員。卓先生分別於一九八四年及一九九零年取得西南政法大學法學學士及碩士學位，並於二零零零年取得中國社會科學院法學博士學位。

高級管理層

余詩權先生，34歲，本公司財務副總裁。他是財政部認可的合資格會計師。余先生一九九六年至一九九七年於福建藍天稅務師事務所有限公司任會計師，一九九七年至一九九八年於福建省環宇投資發展有限公司擔任財務總監，而一九九八年至二零零零年於福建十方投資有限公司（「福建十方」）擔任財務總監。他於二零零零年加入本集團，出任福建十方的財務總監，直至他於二零零八年成為奧海傳媒的財務總監止，其後於二零零九年擔任中國天瑞的財務副總裁。他於一九九六年畢業於福建廣播電視大學，獲財務及會計文憑。余先生在負責福建十方的工作中積累了豐富的管理經驗，並繼續在本集團的整體財務運營方面協助本公司首席財務官。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Chen Zi Quan (陳梓泉), aged 46, is the vice president of the advertising operation center of our Company. He was a teacher at the Fujian Finance and Accounting Administrator College from 1984 to 1998 and the general manager of Fujian ShiFang Investment from 1998 to 2002. He joined our Group in 2002 and served as the general manager of Fujian Yishitong Media Co., Ltd. (presently known as Fujian ZhiYuan Media Co., Ltd.) since 2002. Mr. Chen has also served as the vice president of Olympia Media's advertising operation center since 2008. He graduated from Fujian Normal University in 1984 with a bachelor's degree in science. Mr. Chen is familiar with our Group's operations with particular experience in media and advertising management.

Mr. Wen Xiao Bin (溫曉濱), aged 42, is a vice president of our Company. He was the manager of the marketing department and subsequently the deputy general manager of Fuzhou Taiyang Advertising Co., Ltd. from 1993 to 2000, and the editor-in-chief of Business Guide with Xiamen Daily from 2004 to 2005, and was responsible for, among other things, media planning and data analysis. Mr. Wen joined our Group in 2006 as an assistant to the president. He was also the vice president of China Topreach's advertising operations center from January 2009 to October 2009. He graduated from Xiamen University in 1991 with a bachelor's degree in law. Mr. Wen has relevant experience and expertise in print media and newspaper advertising.

陳梓泉先生，46歲，本公司廣告營運中心副總裁。他於一九八四年至一九九八年曾擔任福建財會管理幹部學院的教師，而一九九八年至二零零二年擔任福建十方投資總經理。他於二零零二年加入本集團，並從二零零二年起擔任福建億事通傳媒有限公司（現名「福建之緣傳媒有限公司」）總經理。陳先生自二零零八年起亦擔任奧海傳媒的廣告營運中心副總裁。他於一九八四年畢業於福建師範大學，獲理學學士學位。陳先生熟知本集團的營運，諳熟傳媒及廣告管理。

溫曉濱先生，42歲，本公司副總裁。他一九九三年至二零零零年於福州太陽廣告有限公司的營銷部擔任經理，其後出任副總經理，而於二零零四年至二零零五年擔任廈門日報的《商業導刊》主編，當時負責（其中包括）媒體策劃及數據分析。溫先生於二零零六年加入本集團並出任總裁助理。於二零零九年一月至二零零九年十月為中國天瑞廣告營運中心副總裁。他於一九九一年畢業於廈門大學，獲法學學士學位。溫先生擁有印刷媒體及報紙廣告方面的相關經驗及專業知識。

Directors and Senior Management Profile 董事及高級管理層履歷

Mr. Pan Jian Ping (潘建平), aged 38, is a vice president of Finance internal control of our Company. He is a qualified accountant as conferred by the Fujian Provincial Department of Finance and a certified asset valuer as conferred by the China Appraisal Society. Mr. Pan was a project manager with Fujian Audit Firm (now known as Fujian Hongshen Certified Public Accountants Ltd.) from 1995 to 1997 and 2000 to 2004, and a project manager with Fujian Huashen Asset Valuation Real Estate Appraisal Co., Ltd. from 1998 to 1999. He joined our Group in 2004 and was the financial controller as well as assistant to the president of Beijing HongXinTu until 2007, before assuming the position as our vice president of internal control in 2008. He graduated from Fuzhou University in 1995 with a diploma in accounting and also obtained a diploma in law from Huazhong Normal University in 2009 through part-time study. Mr. Pan has more than eight years of accounting experience and is mainly responsible for our Group's internal financial management and audit supervision.

COMPANY SECRETARY

Ms. Chan Ching Yi (陳靜儀), aged 36, is our company secretary. She is a member of the HKICPA and a fellow of the Association of Chartered Certified Accountants. Ms. Chan holds a bachelor's degree in accountancy and has accumulated more than 14 years of financial and auditing experience. She is currently the company secretary of Zheda Lande Scitech Limited (stock code: 8106), a company listed on the Growth Enterprise Market Board of the Stock Exchange and the company secretary of Kingdom Holdings Limited (stock code: 528), a company listed on the Main Board of the Stock Exchange. Ms. Chan joined our Group in August 2010.

潘建平先生，38歲，本公司財務內部控制副總裁。他是福建省財政廳認可的合資格會計師及中國資產評估協會認可的執業資產估值師。潘先生於一九九五年至一九九七年和二零零零年至二零零四年為福建省審計師事務所（現稱「福建弘審會計師事務所」）的項目經理，並於一九九八年至一九九九年為福建華審資產評估房地產土地估價有限責任公司的項目經理。他於二零零四年加入本集團，於二零零八年擔任本公司內部控制副總裁前，擔任北京鴻馨圖財務總監兼總裁助理，直至二零零七年止。他於一九九五年畢業於福州大學並獲會計學文憑，而二零零九年亦於華中師範大學兼讀並獲取法學文憑。潘先生擁有逾八年的會計經驗，主要負責本集團的內部財務管理及審核監管。

公司秘書

陳靜儀女士，36歲，本公司之公司秘書。她是香港會計師公會會員及英國特許公認會計師公會資深會員。她持有會計學學士學位，並積累了逾14年財務及審計經驗。她目前為聯交所創業板上市公司浙江浙大網新蘭德科技股份有限公司（股份代號：8106）的公司秘書以及聯交所主板上市公司金達控股有限公司（股份代號：528）的公司秘書。陳女士於二零一零年八月加入本集團。

Directors' Report

董事會報告

The directors ("the Directors") of Shifang Holding Limited ("the Company") present their report and the audited financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2010.

CORPORATE REORGANISATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 9 December 2009 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

In preparation for the listing of the Company's shares (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group underwent a reorganisation (the "Reorganisation"), pursuant to which the companies engaged in the publishing and advertising businesses of the Group were transferred to the Company. Further details of the corporate reorganisation are set out in the prospectus of the Company dated 22 November 2010 (the "Prospectus").

The shares of the Company were listed on the Main Board of the Stock Exchange with effect from 3 December 2010 (the "Listing Date").

PRINCIPAL ACTIVITIES

The Company is as an investment holding company. Its subsidiaries are principally engaged in the business of publishing and advertising (the "Publishing and Advertising Businesses") in the People's Republic of China (the "PRC"). There were no significant changes in the nature of the Group's principal activities during the year.

十方控股有限公司（「本公司」）董事（「董事」）謹此提呈彼等的報告，以及本公司及其附屬公司（統稱「本集團」）截至二零一零年十二月三十一日止年度的經審核財務報表。

公司重組

本公司於二零零九年十二月九日在開曼群島根據開曼群島公司法（一九六一年法例3，經綜合及修訂）第22章註冊成立及登記為獲豁免有限公司。

為籌備本公司股份在香港聯合交易所有限公司（「聯交所」）主板上市（「上市」），本集團進行了重組（「重組」），據此，從事本集團出版及廣告業務的各公司乃轉讓予本公司。公司重組的其他詳情載於本公司日期為二零一零年十一月二十二日的招股章程（「招股章程」）。

由二零一零年十二月三日（「上市日期」）起，本公司股份於聯交所主板上市。

主要業務

本公司為一家投資控股公司，而其附屬公司主要於中華人民共和國（「中國」）從事出版及廣告業務（「出版及廣告業務」）。本集團主要業務的性質於年內並無重大變動。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 77.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2010 and proposed that profit for the year be retained.

SUMMARY FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the past financial periods is set out on page 5.

PROPERTY, PLANT AND EQUIPMENT

During the year of 2010, the Group had acquired property, plant and equipment of approximately RMB24.0 million for the purpose of upgrading printing machines and office equipment of the Group.

Details of these and other movements in the property, plant and equipment of the Group during the year of 2009 are set out in note 7 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 19 to the consolidated financial statements.

業績及分配

本集團截至二零一零年十二月三十一日止年度的業績載於第77頁的合併全面收益表。

董事不建議派付截至二零一零年十二月三十一日止年度任何末期股息，並建議保留年內溢利。

財務資料概要

本集團於過往財政期間的業績、資產及負債概要載於第5頁。

物業、廠房及設備

於二零一零年度，本集團為其印刷機器及辦公室設備升級而收購約人民幣24.0百萬元物業、廠房及設備。

上述及二零零九年度其他有關本集團物業、廠房及設備的變動詳情載於合併財務報表附註7。

股本

本公司股本於年內的變動詳情載於合併財務報表附註19。

Directors' Report

董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the "Articles"), or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 20 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

The amount of the Company's reserves available for distribution to shareholders as at 31 December 2010, calculated in accordance with International Financial Reporting Standards, was approximately RMB1,071.6 million.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately RMB860,000 (HK\$1 million).

優先購買權

本公司組織章程細則（「細則」）或開曼群島法律並無任何規定本公司須向現有股東按比例發售新股份的優先購買權的條文。

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團儲備於年內的變動詳情分別載於合併財務報表附註20及合併權益變動表。

可供分派儲備

按照國際財務報告準則計算，截至二零一零年十二月三十一日，本公司可供分派予股東的儲備金額約為人民幣1,071.6百萬元。

捐款

本集團年內作出的慈善及其他捐款約為人民幣86.0萬元（1百萬港元）。

MAJOR CUSTOMERS AND SUPPLIERS

During the year of 2010, the aggregate sales attributable to the Group's five largest customers comprised approximately 13.3% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 4.4% of the Group's total sales.

The aggregate purchases during the year of 2010 attributable to the Group's five largest suppliers were approximately 82.97% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 26.97% of the Group's total purchases.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive directors:

Mr. Chen Zhi (chairman and chief executive officer, appointed as a Director on 9 December 2009)
Mr. Hong Pei Feng (appointed on 18 January 2010)
Mr. Zhang Tie Zhu (appointed on 18 January 2010)

Non-executive directors:

Mr. Wang Ping (appointed on 18 January 2010)

Independent non-executive directors:

Mr. Zhou Chang Ren (appointed on 8 November 2010)
Mr. Wong Heung Ming, Henry (appointed on 8 November 2010)
Mr. Zhuo Ze Yuan (appointed on 8 November 2010)

In accordance with the Articles of Association, all existing Directors will retire and, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company.

主要客戶及供應商

於二零一零年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約13.3%，而本集團最大客戶應佔銷售額佔本集團總銷售額約4.4%。

於二零一零年度，本集團五大供應商應佔購貨總額佔本集團總購貨額約82.97%，而本集團最大供應商應佔購貨額佔本集團總購貨額約26.97%。

董事

年內及直至本報告日期的董事如下：

執行董事：

陳志先生（主席兼行政總裁，
於二零零九年十二月九日獲委任為董事）
洪培峰先生
（於二零一零年一月十八日獲委任）
張鐵柱先生
（於二零一零年一月十八日獲委任）

非執行董事：

王平先生（於二零一零年一月十八日獲委任）

獨立非執行董事：

周昌仁先生
（於二零一零年十一月八日獲委任）
黃向明先生
（於二零一零年十一月八日獲委任）
卓澤淵先生
（於二零一零年十一月八日獲委任）

按照組織章程細則，全部現任董事將於本公司應屆股東週年大會上輪值退任，並符合資格且願意於會上膺選連任。

Directors' Report

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 34 to 41.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received, from each of its independent non-executive Directors, namely Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry and Mr. Zhuo Ze Yuan a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and the non-executive Director has entered into a service contract with the Company for a term of three years commencing from the Listing Date, which may be terminated by not less than six months' notice in writing served by either party on the other. Each of the independent non-executive Director has been appointed by the Company for a term of three years and shall be terminable by either party by giving not less than two months' prior notice in writing.

During the year, none of the Directors had a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事及高級管理人員履歷

本集團董事及高級管理人員履歷詳情載於第34至41頁。

獨立非執行董事的獨立身份確認書

本公司已接獲各獨立非執行董事周昌仁先生、黃向明先生及卓澤淵先生根據上市規則第3.13條發出的獨立身份確認書。本公司認為其全部獨立非執行董事均為獨立人士。

董事服務合約

各執行董事及非執行董事已與本公司訂立服務合約，由上市日期起為期三年，可由任何一方發出不少於六個月的書面通知而終止。本公司委任的各獨立非執行董事的任期為三年，有關任命可由任何一方發出不少於兩個月的事先書面通知而終止。

年內，各董事概無與本公司訂有任何可由本公司於一年內免付賠償（法定賠償除外）予以終止的服務合約。

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. In addition, each of the executive Directors and the non-executive Director is entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors at the sole and absolute discretion of the Company. Details of the remuneration of the Directors are set out in note 25 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES IN OR DEBT SECURITIES OF THE COMPANY

Other than the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") adopted by written resolutions of its shareholders on 26 February 2010 and the post-IPO share option scheme of the Company (the "Post-IPO Share Option Scheme") adopted by the written resolutions of its shareholders on 8 November 2010, at no time during the year of 2010 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

酬金政策

董事及本集團高級管理層成員的酬金政策乃依照個人表現以及市場趨勢與慣例制訂。此外，各執行董事及非執行董事均有權獲得酌情花紅，惟應支付予所有執行董事的花紅總額由本公司全權酌情決定。董事酬金詳情載於合併財務報表附註25。

董事購入本公司股份或債務證券的權利

除經本公司股東於二零一零年二月二十六日以書面決議案方式採納的本公司首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），以及經本公司股東於二零一零年十一月八日以書面決議案方式採納的本公司首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）外，於二零一零年度，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體的股份或債務證券（包括債券）而獲益。

董事於合約中的權益

董事概無於本公司或其任何控股公司、附屬公司或同系附屬公司於年內訂立而對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

Directors' Report 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors held any interests in any competing business against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2010.

PRE-IPO SHARE OPTION SCHEME

The principal terms of the Pre-IPO Share Option Scheme, approved by written resolutions of the shareholders of the Company passed on 26 February 2010, were set out as follows:

- (a) the purpose of the Pre-IPO Share Option Scheme is to provide incentive or reward to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Company and to enable the Company and its subsidiaries to recruit and retain high-caliber employees;
- (b) the maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be 27,456,156, representing approximately 5% of the issued share capital of the Company as at the date of approval of the Pre-IPO Share Option Scheme;
- (c) the subscription price for the Shares under the Pre-IPO Share Option Scheme shall not be less than 100% of the fair market value of the Shares on the date of grant of the option as valued by the valuer to be appointed by the Company;
- (d) save as otherwise stated in the letter of grant, a maximum of 40% of the total number of the options shall only be exercisable from the expiry of the first anniversary of the commencement date; a maximum of 70% of the total number of the options shall only be exercisable from the expiry of the second anniversary of the commencement date; and all the total outstanding number of the options will be exercisable from the expiry of the third anniversary of the commencement date;

董事於競爭業務中的權益

於截至二零一零年十二月三十一日止年度，董事概無於任何與本公司或其任何共同控制實體及附屬公司競爭的業務中擁有權益。

首次公開發售前購股權計劃

經本公司股東於二零一零年二月二十六日以書面決議案方式通過的首次公開發售前購股權計劃的主要條款載列如下：

- (a) 首次公開發售前購股權計劃旨在獎勵或回饋合資格參與者對本公司的貢獻，並激勵彼等繼續努力提升本公司的利益，並藉此讓本公司及其附屬公司得以招聘及挽留高質素僱員；
- (b) 可根據首次公開發售前購股權計劃授出的購股權涉及的股份數目最多為27,456,156股，佔首次公開發售前購股權計劃獲批准當日本公司已發行股本約5%；
- (c) 首次公開發售前購股權計劃項下股份的認購價不得低於股份於購股權授出之日的公允市值（由本公司委聘的估值師估值所得）的100%；
- (d) 除授予函件所述者外，僅購股權總數最多40%可於開始日期起計滿一週年後行使；僅購股權總數最多70%可於開始日期起計滿兩週年後行使；而尚未獲行使的所有購股權數目將可於開始日期起計滿三週年後行使；

- (e) subject to the termination provisions in the Pre-IPO Share Option Scheme, the Pre-IPO Share Option Scheme shall be valid and effective for a period commencing on 26 February 2010, being the date on which the Pre-IPO Share Option Scheme is adopted by the Shareholders, and ending on the day immediately prior to the Listing Date (both dates inclusive), after which period no further options pursuant to the Pre-IPO Share Option Scheme will be granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and options which are granted during the life of the Pre-IPO Share Option Scheme may continue to be exercisable in accordance with their terms of issue; and
- (f) the Pre-IPO Share Option Scheme shall take effect subject to the passing of the necessary resolution to adopt the Pre-IPO Share Option Scheme by the shareholders of the Company. The option granted may be exercised during the option period which shall commence on the expiry of the first anniversary of the commencement date and end on the date immediately before the fourth anniversary of the Listing Date (subject to the provisions for early termination contained the Pre-IPO Share Option Scheme. In the event that dealings in the Shares have commenced on the Stock Exchange, the exercise after the Listing Date of any option granted will be conditional upon the Listing Committee granting approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme.
- (e) 根據首次公開發售前購股權計劃的終止條款，首次公開發售前購股權計劃自二零一零年二月二十六日（即股東採納首次公開發售前購股權計劃之日）起，至緊接上市日期前一日止期間（包括首尾兩日）屬合法及有效。此後，不可根據首次公開發售前購股權計劃授出任何額外購股權，惟首次公開發售前購股權計劃的條文於所有其他方面將具有十足效力及作用，以在必要時使之前已授出或根據首次公開發售前購股權計劃條文可能規定的其他情況下授出的任何購股權之行使生效。於首次公開發售前購股權計劃期限內授出的購股權可根據其發行條款繼續行使；及
- (f) 首次公開發售前購股權計劃須待本公司股東通過必要決議案採納首次公開發售前購股權計劃後，方可作實。授出的購股權可於購股權期間（自開始日期滿一週年起計，於緊接上市日期滿四週年前一日屆滿，且可根據首次公開發售前購股權計劃內條文提早終止）內行使。倘股份已開始於聯交所買賣，則於上市日期之後行使任何已授出的購股權，須待上市委員會批准將根據首次公開發售前購股權計劃授出的購股權獲行使而可能須配發及發行的股份上市及買賣後，方可作實。

Directors' Report

董事會報告

As of the date of this report, options to subscribe for an aggregate of 27,456,156 Shares (representing approximately 3.75% of the total issued share capital of the Company as at the date of this report) have been granted by the Company under the Pre-IPO Share Option Scheme. Particulars of the options granted under the Pre-IPO Share Option Scheme are set out below:

截至本報告日期，可認購合共27,456,156股股份（佔於本報告日期本公司已發行股本總額約3.75%）的購股權已由本公司根據首次公開發售前購股權計劃授出。根據首次公開發售前購股權計劃授出的購股權的詳情載於下文：

Name and position of grantee in our Group	Exercise price	Outstanding as at the beginning of the year	No. of share options 購股權數目			Outstanding as at the year end	Approximate Percentage of total issued share capital 佔已發行股本總額的概約百分比	Exercisable period (note 1)
			Granted during the year	Lapsed during the year	Exercised during the year			
承授人的姓名及在本集團的職位	行使價 (HK\$) (港元)	於年初尚未行使	年內授出	年內失效	年內獲行使	於年末尚未行使		行使期 (附註1)
Mr. Chen Zhi, Executive Director 陳志先生·執行董事	1.82	-	10,433,339	-	-	10,433,339	1.4%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Hong Pei Feng, Executive Director 洪培峰先生·執行董事	1.82	-	2,745,616	-	-	2,745,616	0.4%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Zhang Tie Zhu, Executive Director 張鐵柱先生·執行董事	1.82	-	9,335,093	-	-	9,335,093	1.3%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Wang Ping, Non-executive Director 王平先生·非執行董事	1.82	-	549,123	-	-	549,123	0.1%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Chan Chun Kau, General Counsel 陳振球先生·總顧問	1.82	-	1,647,369	-	-	1,647,369	0.2%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Yu Shi Quan, Vice President of Finance 余詩權先生·財務副總裁	1.82	-	1,098,246	-	-	1,098,246	0.2%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Xiao Zhen Bin, Investor Relations Director 肖振彬先生·投資關係總監	1.82	-	1,098,246	-	-	1,098,246	0.2%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日
Mr. Pan Jian Ping, Vice President of Internal Control 潘建平先生·內部控制副總裁	1.82	-	549,124	-	-	549,124	0.1%	26 February 2011 to 2 December 2014 二零一一年二月二十六日至 二零一四年十二月二日

Other particulars of the Pre-IPO Share Option Scheme are set out in note 35 to the consolidated financial statements.

首次公開發售前購股權計劃其他詳情載於合併財務報表附註35。

POST-IPO SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by the shareholders of the Company on 8 November 2010, the Company adopted the Post-IPO Share Option Scheme. The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any Directors (whether executive or non-executive, including any independent non-executive Director) of the Company or any of its subsidiaries; or (iii) any advisors, consultants, suppliers, customers and agents to the Company or any subsidiaries (each "Eligible Person").

The Board may, at any time within 10 years after the date of approval of the Post-IPO Share Option Scheme, make an offer to grant options to any Eligible Person. The subscription price for shares granted pursuant to the Post-IPO Share Option Scheme shall be determined by the Board in its absolute discretion and shall be at least the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; and
- (iii) the nominal value of a Share.

首次公開發售後購股權計劃

依據本公司股東於二零一零年十一月八日通過的書面決議案，本公司採納首次公開發售後購股權計劃。首次公開發售後購股權計劃旨在獎勵或回饋(i)本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；(ii)本公司或其任何附屬公司的任何董事（執行或非執行董事，包括獨立非執行董事）；或本公司或任何附屬公司的任何顧問、諮詢人士、供應商、客戶及代理（各為「合資格人士」）。

董事會可於首次公開發售後購股權計劃獲批准當日後10天內隨時向任何合資格人士提呈授出購股權。根據首次公開發售後購股權計劃授出的股份的認購價由董事會全權酌情釐定，且不得低於下列各項的最高者：

- (i) 股份於提呈授出購股權當日在聯交所每日報價表所報的正式收市價；
- (ii) 股份於緊接提呈授出購股權當日前五個營業日在聯交所每日報價表所報的平均正式收市價；及
- (iii) 股份面值。

Directors' Report

董事會報告

The total number of Shares in respect of which options may be granted under the Post-IPO Share Option Scheme is not permitted to exceed 10% of the total number of Shares in issue as at the Listing Date, 73,216,512 Shares, without prior approval from the shareholders of the Company. The maximum number of Shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Post-IPO Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time. The total number of Shares issued and to be issued upon exercise of all options granted under the Post-IPO Share Option Scheme to each Eligible Person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, if shares issued and to be issued upon exercise of all options granted under the Post-IPO Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in any 12-month period (i) represent in aggregate more than 0.1% of the total number of shares in issue, and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5,000,000, the proposed grant of option must be approved by the shareholders of the Company in a general meeting.

如未經本公司股東事先批准，根據首次公開發售後購股權計劃可授出的購股權涉及的股份總數不得超過於上市日期已發行股份總數的10%（即73,216,512股股份）。行使根據首次公開發售後購股權計劃及本公司任何其他購股權計劃授出但尚待行使的所有未行使購股權而可發行的股份數目上限，不得超過本公司不時已發行股本30%。在任何12個月期間內行使根據首次公開發售後購股權計劃授予每名合資格人士的所有購股權（包括已行使、已註銷及未行使的購股權）而發行及將予發行的股份總數，不得超過本公司已發行股份總數的1%。凡進一步授出超過此上限的購股權均須經股東於股東大會上批准。

凡向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權，均須經本公司獨立非執行董事預先批准。此外，倘在任何12個月內，於根據首次公開發售後購股權計劃向參與者（屬本公司主要股東或獨立非執行董事）或彼等任何聯繫人授出的所有購股權（包括已獲行使、已註銷及未獲行使的購股權）獲行使後發行及將予發行的股份(i)合共超過已發行股份總數0.1%，及(ii)按於每個授出日期本公司股份收市價計算的總值超過5,000,000港元，則建議授出購股權須經本公司股東於股東大會上批准。

The amount payable on acceptance of an option is RMB1.00. The exercise period of any option granted under the Post-IPO Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. There is no minimum period for which an option must be held before the exercise of the option except otherwise imposed by the Board.

As at 31 December 2010, no share option had been granted under the Post-IPO Share Option Scheme.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2010, the interests and short positions of the directors in the share capital and underlying shares (the "Share(s)") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were set out as follows:

(i) Long position in the Company

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
Mr. Chen Zhi	Interest in controlled corporation	42,998,170 (note 1)	5.9%
陳志先生	於受控制法團的權益	42,998,170 (附註1)	5.9%
Mr. Hong Pei Feng	Interest in controlled corporation	15,859,804 (note 2)	2.2%
洪培峰先生	於受控制法團的權益	15,859,804 (附註2)	2.2%
Mr. Wang Ping	Interest in controlled corporation	12,483,736 (note 3)	1.7%
王平先生	於受控制法團的權益	12,483,736 (附註3)	1.7%

於接納購股權時應付的金額為人民幣1.00元。根據首次公開發售後購股權計劃授出的任何購股權的行使期不得超過相關購股權授出當日起計10年。購股權於獲行使前並無須持有的最短期限，惟董事會另有施加者則作別論。

截至二零一零年十二月三十一日，並無根據首次公開發售後購股權計劃授出任何購股權。

董事於股份及相關股份的權益及淡倉

截至二零一零年十二月三十一日，董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股本及相關股份（「股份」）中擁有記錄於根據證券及期貨條例第352條本公司須存置的登記冊，或根據上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(i) 於本公司的好倉

Directors' Report 董事會報告

Notes:

- (1) These Shares are held by TopBig International, which is wholly-owned by Mr. Chen Zhi.
- (2) These Shares are held by Blazing Sun, which is wholly-owned by Mr. Hong Pei Feng.
- (3) These Shares are held by Best Eagle Holdings Limited ("Best Eagle") on trust for China Science & Kingwin (HK) Investment Management Limited ("China Science"). China Science is wholly-owned by Shenzhen China Science & Kingwin Venture Capital Co., Ltd, a company that is in turn owned by a group of individuals including, among others, Mr. Wang Ping as to 54.94%.

附註：

- (1) 該等股份由陳志先生全資擁有的昇平國際持有。
- (2) 該等股份由洪培峰先生全資擁有的驕陽持有。
- (3) 該等股份由榮鷹控股有限公司(「榮鷹」)以信託方式代中科宏易(香港)投資管理有限公司(「中科」)持有。中科由深圳市中科宏易創業投資管理有限公司全資擁有，深圳市中科宏易創業投資管理有限公司由若干人士擁有，包括(其中包括)由王平先生擁有54.94%股權。

(ii) Long position in the associated corporations of the Company

(ii) 於本公司相聯法團的好倉

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Name of Associated Corporation 相聯法團名稱	Approximate percentage of interest 權益概約百分比
Mr. Chen Zhi 陳志先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 1) 中國天瑞(附註1)	26.1%
Mr. Chen Zhi 陳志先生	Beneficial Owner 實益擁有人	Beijing HongXinTu 北京鴻馨圖	10.0%
Mr. Hong Pei Feng 洪培峰先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 2) 中國天瑞(附註2)	10.3%
Mr. Wang Ping 王平先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 3) 中國天瑞(附註3)	9.6%
Mr. Zhang Tie Zhu 張鐵柱先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 4) 中國天瑞(附註4)	2.0%

Notes:

- (1) These interest in China TopReach is held by TopBig International, which is wholly-owned by Mr. Chen Zhi.
- (2) These interest in China TopReach is held by Blazing Sun, which is wholly-owned by Mr. Hong Pei Feng.
- (3) These interest in China TopReach is held by China Science, which is wholly-owned by Shenzhen China Science & Kingwin Venture Capital Co., Ltd, a company that is in turn owned by Mr. Wang Ping as to 54.94%.
- (4) These interest in China TopReach is held by Real Sight Consultant Limited, which is wholly-owned by Mr. Zhang Tie Zhu.

附註：

- (1) 於中國天瑞的該等權益由陳志先生全資擁有的昇平國際持有。
- (2) 於中國天瑞的該等權益由洪培峰先生全資擁有的驕陽持有。
- (3) 於中國天瑞的該等權益由中科技持有。中科由深圳市中科宏易創業投資管理有限全資擁有，深圳市中科宏易創業投資管理有限公司由王平先生擁有54.94%股權。
- (4) 於中國天瑞的該等權益由張鐵柱先生全資擁有的Real Sight Consultant Limited持有。

(iii) Interests in the underlying Shares of equity derivatives of the Company

(iii) 於本公司股本衍生工具所涉及相關股份的權益

Name of Director	Nature of Interest	Description of equity derivatives (note 1) 股本衍生工具詳情 (附註1)	Total number of underlying Shares	Approximate percentage of interest 權益概約 百分比
董事姓名	權益性質		相關股份總數	
Mr. Chen Zhi 陳志先生	Personal 個人	Share Option 購股權	10,433,339 10,433,339	1.4% 1.4%
Mr. Hong Pei Feng 洪培峰先生	Personal 個人	Share Option 購股權	2,745,616 2,745,616	0.4% 0.4%
Mr. Zhang Tie Zhu 張鐵柱先生	Personal 個人	Share Option 購股權	9,335,093 9,335,093	1.3% 1.3%
Mr. Wang Ping 王平先生	Personal 個人	Share Option 購股權	549,123 549,123	0.1% 0.1%

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Note:

- (1) These share options were granted under the Pre-IPO Share Option Scheme. Further details of such options are disclosed under the paragraph above headed "Pre-IPO Share Option Scheme".

附註：

- (1) 該等購股權乃根據首次公開發售前購股權計劃授出。有關該等購股權的進一步詳情於上文「首次公開發售前購股權計劃」一段披露。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, the following persons (other than Directors or chief executives of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares:

主要股東於股份及相關股份的權益

截至二零一零年十二月三十一日，以下人士（董事或本公司主要行政人員除外）擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊的股份及相關股份權益或淡倉：

於股份的好倉：

Name 名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
China TopReach 中國天瑞	Beneficial Owner 實益擁有人	320,000,000 320,000,000	43.7% 43.7%
TopBig International 昇平國際	Beneficial Owner 實益擁有人	42,998,170 42,998,170	5.9% 5.9%
Pride Sky Pride Sky	Beneficial Owner 實益擁有人	42,606,606 42,606,606	5.8% 5.8%
CCBI Asset Management 建銀國際資產管理	Interest in controlled corporation (note 1) 於受控制法團的權益（附註1）	42,606,606 42,606,606	5.8% 5.8%
Best Eagle 榮鷹	Interest in controlled corporation (note 2) 於受控制法團的權益（附註2）	42,606,606 42,606,606	5.8% 5.8%
Templeton 鄧普頓	Interest in controlled corporation (note 3) 於受控制法團的權益（附註3）	42,606,606 42,606,606	5.8% 5.8%

Notes:

- (1) CCB International Asset Management Limited ("CCBI Asset Management") is deemed to be interested in the interest of Pride Sky Holdings Limited ("Pride Sky") in the Company by the SFO because Pride Sky is wholly-owned by CCBI Asset Management.
- (2) Best Eagle is a company incorporated in the British Virgin Islands and is owned as to 57% and 43% by two individuals, who are independent third parties. Best Eagle held part of its shareholding interest in the Company, equivalent to 12,483,736 Shares (or approximately 1.7% of the issued share capital of the Company), on trust for China Science.
- (3) Templeton Strategic Emerging markets Fund III, LDC ("Templeton") is a limited duration company incorporated in the Cayman Islands. It makes strategic investments in emerging markets and is managed by Templeton Asset Management Ltd.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2010.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the transactions set out below will be regarded as continuing connected transactions under the Listing Rules. Unless otherwise defined, capitalised terms below has the same meanings as those defined in the Prospectus.

附註：

- (1) 根據證券及期貨條例，由於Pride Sky Holdings Limited (「Pride Sky」)由建銀國際資產管理有限公司(「建銀國際資產管理」)全資擁有，故建銀國際資產管理被視為於Pride Sky於本公司擁有的權益中擁有權益。
- (2) 榮鷹為一家於英屬維爾京群島註冊成立的公司，分別由兩位獨立第三方擁有57%及43%權益。榮鷹以信託方式代中科持有本公司部分股權，相等於12,483,736股股份(或本公司已發行股本約1.7%)。
- (3) 鄧普頓新興市場基金(「鄧普頓」)為一家於開曼群島註冊成立的有限公司，在新興市場作出戰略投資，由Templeton Asset Management Ltd所管理。

除本文所披露者外，就董事所知，截至二零一零年十二月三十一日，本公司並無獲知會有任何其他人士(董事或本公司主要行政人員除外)擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊的本公司股份及相關股份權益或淡倉。

持續關連交易

本公司已訂立下文所載根據上市規則將被視為持續關連交易的交易。除非另有界定，否則下文的專有詞彙具有招股章程所界定的相同涵義。

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NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Structure Contracts

The Structure Contracts comprise five agreements, namely (i) the Loan Agreement, (ii) the Equity Pledge Agreement, (iii) the Voting Rights Proxy Agreement, (iv) the Exclusive Purchase Option Agreement and (v) the Service Agreement, which were all (except the Service Agreement which was entered into between Fujian ShiFang and Beijing HongXinTu) entered into between, inter alia, Mr. Zhang Jin Gui, Mr. Chen Zhi, Mr. Qiang Yi Bin, Ms. Lin Yu Lin and Fujian ShiFang. Each of Mr. Chen Zhi and Mr. Hong Pei Feng is our executive Director and therefore a Connected Person of the Company. Furthermore, Mr. Qiang Yi Bin and Ms. Lin Yu Lin, each being an associate of Mr. Hong Pei Feng is also a Connected Person of the Company.

The Structure Contracts were entered into to establish a situation in which Fujian ShiFang has obtained effective management, operational and economic control over Beijing HongXinTu and has an exclusive option to purchase all or part of the entire equity interest of Beijing HongXinTu when and to the extent permitted by PRC law. The Company is currently prohibited from acquiring an equity interest in Beijing HongXinTu, which holds a license for the general distribution of books, newspapers and periodicals, to incorporate its business into our Group because pursuant to the Catalogue of Industries for Guiding Foreign Investment jointly promulgated by The National Development and Reform Commission of the PRC and The Ministry of Commerce of the PRC on 31 October 2007, the publication and general distribution of books, newspapers and periodicals business is classified as an industry in which foreign investors are prohibited from investing.

非豁免持續關連交易

架構合約

架構合約包括五份協議，分別為(i)貸款協議、(ii)股權抵押協議、(iii)投票權代表協議、(iv)獨家購買選擇權協議及(v)服務協議，除服務協議由福建十方與北京鴻馨圖訂立外，全部協議均由（其中包括）張錦貴先生、陳志先生、強亦彬先生、林育琳女士及福建十方訂立。陳志先生及洪培峰先生各為執行董事，因此也是本公司的關連人士。此外，強亦彬先生及林育琳女士各為洪培峰先生的聯繫人，也是本公司的關連人士。

架構合約確立了福建十方取得北京鴻馨圖實際管理、經營及經濟控制權，以及有獨家選擇權於中國法律准許的時間及規定下購買所有或部分北京鴻馨圖的全部股權。由於根據由中華人民共和國國家發展和改革委員會及中華人民共和國商務部於二零零七年十月三十一日聯合頒佈的外商投資產業指導目錄，出版及總發行圖書、報紙及期刊是外國投資者被禁止投資的產業，而北京鴻馨圖現時持有總發行圖書、報紙及期刊的執照，故本公司目前不得收購北京鴻馨圖的任何股權，從而將北京鴻馨圖的業務併入本集團。

The transactions under the Structure Contracts (except those under the Service Agreement) constitute continuing connected transactions for our Company under Rule 14A.34(1) of the Listing Rules and are subject to the requirements of reporting, announcement and independent shareholders' approval set out in Rules 14A.45 to 14A.54 of the Listing Rules following the Listing.

The Directors believe that the Company's structure whereby Beijing HongXinTu's financial results are consolidated into the Company's financial statements as if it was a wholly-owned subsidiary and the flow of economic benefits from its business to the Company, places the Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Structure Contracts technically constitute continuing connected transactions for the purposes of Chapter 14A of the Listing Rules, the Directors consider that it would be unduly burdensome and impracticable and would impose unnecessary administrative costs on us to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules in respect of these continuing connected transactions.

Pursuant to Rule 14A.42(3) of the Listing Rules, the Company have applied for and the Stock Exchange has granted a waiver from strict compliance with the reporting, announcement, independent shareholders' approval, annual cap and agreements with fixed term of no more than three years requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions under the Structure Contracts for so long as the Shares are listed on the Stock Exchange.

根據上市規則第14A.34(1)條，架構合約項下的交易（服務協議項下的交易除外）構成本公司的持續關連交易，故於上市後須遵守上市規則第14A.45至14A.54條所載的申報、公告及獨立股東批准規定。

董事相信本公司的架構（北京鴻馨圖的財務業績將於本公司的財務報表內合併入賬，猶如其為本公司的全資附屬公司，且其業務的經濟收益流入本公司），使本集團處於關連交易規則的特殊位置。因此，儘管根據架構合約擬進行的交易技術上構成上市規則第14A章項下的持續關連交易，惟董事認為就該等持續關連交易嚴格遵守上市規則第14A章所載的規定會構成不必要的繁重負擔及不可行，並會為本公司帶來不必要的行政費用。

根據上市規則第14A.42(3)條，本公司已就架構合約項下的持續關連交易向聯交所申請於股份在聯交所上市期間豁免嚴格遵守上市規則第14A章項下的申報、公告、獨立股東批准、年度上限及協議固定年期不得超過三年的規定，並已獲聯交所批准。

Directors' Report

董事會報告

For details of the Structure Contracts, please refer to the sections headed "History and Corporate Structure" and "Connected Transactions" of the Prospectus.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged PricewaterhouseCoopers, the auditor of the Company to review the continuing connected transactions of the Group. PricewaterhouseCoopers has reported the results and their work to the Board, confirming that the transaction have received the approval of the Directors, have been entered into in accordance with the relevant Structured Contracts and that no dividends or other distributions have been made by Beijing HongXinTu to its shareholders.

The independent non-executive Directors have reviewed the Structure Contracts, the above continuing connected transactions and the report of the auditor. In the opinion of the independent non-executive Directors:

- (i) the continuing connected transactions carried out during the year are in the ordinary and usual course of business of the Group and have been entered into in accordance with the relevant provisions of the Structure Contracts so that the revenue generated by Beijing HongXinTu and the subsidiaries of the Company have been mainly retained by the Group;
- (ii) the continuing connected transactions were entered into either (a) on normal commercial terms; or (b) where there is no available comparison, on terms that are no less favorable to the Group than terms to or from independent third parties;
- (iii) no dividends or other distributions have been made by Beijing HongXinTu to its shareholders; and

有關架構合約的詳情，請參閱招股章程「歷史及公司架構」及「關連交易」一節。

依據上市規則第14A.38條，董事會已委聘本公司核數師羅兵咸永道會計師事務所審閱本集團的持續關連交易。羅兵咸永道會計師事務所已向董事會匯報有關結果及彼等的工作，並確認交易已獲董事批准，已根據相關架構合約進行以及北京鴻馨圖並無向其股東派發股息或作出其他分派。

獨立非執行董事已審閱架構合約、上述持續關連交易及核數師報告。獨立非執行董事認為：

- (i) 年內進行的持續關連交易乃於本集團日常及一般業務過程中訂立，並遵照架構合約有關規定而訂立，故北京鴻馨圖與本公司的附屬公司產生的收入主要撥歸本集團；
- (ii) 持續關連交易乃(a)按正常商業條款；或(b)（倘無條款可作比較）按不遜於本集團給予或來自獨立第三方的條款訂立；
- (iii) 北京鴻馨圖沒有向其股東派發股息或作出其他分配；及

(iv) any new Structure Contracts entered into, renewed or reproduced between Beijing HongXinTu and the Company during the relevant financial period are fair and reasonable, or advantageous, so far as the Company are concerned and in the interests of our shareholders as a whole.

Other than disclosed above, there was no other transaction which needs to be disclosed as connected transaction in accordance with the requirements of the Listing Rules during the year ended 31 December 2010.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 36 to the financial statements.

AUDITORS

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Chen Zhi

Chairman, Chief Executive Officer and Executive Director

Hong Kong

29 March 2011

(iv) 於有關財政期間內，北京鴻馨圖與本公司訂立、續簽或重訂的任何新架構合約對本公司而言是公平合理或有利的，且符合股東整體利益。

除上文所披露者外，於截至二零一零年十二月三十一日止年度，並無其他交易須按照上市規則規定披露為關連交易。

公眾持股量充足程度

依照本公司可公開獲得的資料及就董事所知，於本報告日期，本公司已發行股本總額最少25%由公眾人士持有。

報告期間後事項

本集團於報告期間後的重大事項詳情載於財務報表附註36。

核數師

羅兵咸永道會計師事務所已審核合併財務報表。羅兵咸永道會計師事務所將於本公司應屆股東週年大會上任滿告退，惟合資格並願意於會上獲續聘。

代表董事會

陳志

主席、行政總裁兼執行董事

香港

二零一一年三月二十九日

Corporate Governance Report 企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance and value of achieving high standards of corporate governance practices. The Board believes that good corporate governance is an essential element in maintaining and promoting shareholder value and investor confidence.

The Company has adopted the code provisions on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance since the date of the listing of the shares of the Company on the Main Board of the Stock Exchange on 3 December, 2010. Save as disclosed below, the Board considers the Company has complied with the code provisions as set out in the CG Code.

Set out below the principles and the corporate governance practices adopted and observed by the Company from the Listing Date up to the date of this annual report (the “Period Under Review”).

CODE PROVISION A.2.1

Under code provision A.2.1 of the CG code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

企業管治常規守則

本公司深明達致高水平企業管治常規的重要性及價值。董事會相信良好企業管治乃維持及提升股東價值與投資者信心的要素。

自本公司股份於聯交所主板上市日期二零一零年十二月三日（「上市日期」）起，本公司採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）的守則條文，作為本公司的企業管治守則。除下文討論者外，董事會認為本公司已遵守企業管治守則所載的守則條文。

下文載列本公司於上市日期至本年報日期（「回顧期間」）採納及遵循的企業管治常規。

守則條文第A.2.1條

根據企業管治守則的守則條文第A.2.1條，主席與首席執行官的角色應有區分，並不應由一人同時兼任。

Mr. Chen Zhi, who acts as the chairman and chief executive officer of the Company, is responsible in pioneering the Company's distinctive business model and undertaking the main decision-making role in the management of the Company's overall operations and overseeing the strategic development of the Group. The Board will meet regularly to consider and review the major and appropriate issues affecting the operations of the Company. As such, the Board considers that the sufficient measures have been taken and it will not impair the balance of power and authority between the Board and the management.

THE BOARD

The Board provides effective and responsible leadership for the Company in setting the strategic decision and overseeing the Company's overall operations. The Board meets regularly and each Director has to make decisions objectively in the best interests of the Company and its shareholders.

The Board comprises 7 Directors, 3 of whom are executive Directors and 1 of whom is non-executive Director and 3 of whom are independent non-executive Directors. The biographies of all Directors are set out on pages 34 to 39 of this annual report. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

陳志先生擔任本公司主席兼首席執行官，負責開創本公司獨樹一幟的業務模式，在本公司整體經營管理中擔當主要決策角色及監督本集團的策略開發。董事會將定期舉行會議，考慮及審議影響本公司經營的重大及合適議題。因此，董事會認為已採納足夠措施，不會使董事會與管理層之間的權力及授權失衡。

董事會

董事會負責有效領導本公司，制訂策略及監督本公司整體營運。董事會定期舉行會議，各董事須以本公司及其股東的最佳利益為依歸，客觀地作出決策。

董事會成員包括七名董事，三名為執行董事，一名為非執行董事，其餘三名為獨立非執行董事。各董事的履歷載於本年報第34至39頁。除本年報所披露者外，概無董事與董事會成員擁有任何其他財務、業務、家族或其他重大或相關關係。

Corporate Governance Report 企業管治報告

Board Proceedings

The Company will hold at least four board meetings at approximately quarterly intervals and will also meet at such other times when necessary. Formal agenda of all Board meetings are distributed to the Directors for comments and approval, generally, at least 14 days before the meetings. Adequate time and sufficient resources will provide to all Directors to discharge their duties at which the Directors actively participate and hold informed discussions. All minutes of Board meetings will record in sufficient detail the matters considered by the Board and decisions reached.

As the Company was listed on 3 December, 2010, during the Period Under Review, the Board convened 2 board meetings, the Audit Committee, Remuneration Committee and Nomination Committee convened, meeting respectively. The attendance of individual Directors at meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee is as follows:

董事會程序

本公司將最少舉行四次董事會會議，約每季舉行一次，有需要時亦會於其他時間舉行會議。所有董事會會議的正式議程一般於會議前最少十四日分發予董事，以供發表意見及批准。各董事將獲賦予足夠時間及充足資源履行其職務，而董事須積極參與並於知情情況下進行討論。董事會會議所有會議紀錄將充分詳細記錄董事會審議的議題及作出的決策。

由於本公司於二零一零年十二月三日上市，故於回顧期間，董事會曾召開兩次董事會會議以及分別召開一次審核委員會、薪酬委員會及提名委員會會議。董事於董事會、審核委員會、薪酬委員會及提名委員會各會議的出席率如下：

		Meeting attended/held 出席／舉行會議次數			
		Board	Audit Committee	Remuneration Committee	Nomination Committee
		董事會	審核委員會	薪酬委員會	提名委員會
Executive Directors	執行董事				
Chen Zhi (Chairman & Chief Executive Officer)	陳志 (主席兼首席執行官)	2/2	N/A	1/1	1/1
		2/2	不適用	1/1	1/1
Hong Pei Feng	洪培峰	2/2	N/A	N/A	N/A
		2/2	不適用	不適用	不適用
Zhang Tie Zhu (Chief Financial Officer)	張鐵柱 (首席財務官)	2/2	N/A	N/A	N/A
		2/2	不適用	不適用	不適用
Non-executive Directors	非執行董事				
Wang Ping	王平	2/2	N/A	N/A	N/A
		2/2	不適用	不適用	不適用
Independent Non-executive Directors	獨立非執行董事				
Wong Heung Ming, Henry	黃向明	2/2	1/1	1/1	1/1
		2/2	1/1	1/1	1/1
Zhou Chang Ren	周昌仁	2/2	1/1	1/1	N/A
		2/2	1/1	1/1	不適用
Zhuo Ze Yuan	卓澤淵	2/2	1/1	N/A	1/1
		2/2	1/1	不適用	1/1

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chen Zhi, who acts as the chairman and chief executive officer of the Company, is responsible in pioneering the Company's distinctive business model and undertaking the main decision-making role in the management of the Company's overall operations and overseeing the strategic development of the Group. The Board will meet regularly to consider and review the major and appropriate issues affecting the operations of the Company. As such, the Board considers that the sufficient measures have been taken and it will not impair the balance of power and authority between the Board and the management.

Independent Non-executive Directors

In compliance with Rule 3.10 (1) of the Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board. The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board, based on such confirmation, considers all independent non-executive Directors independent.

主席及首席執行官

根據企業管治守則的守則條文第A.2.1條，主席與首席執行官的角色應有區分，並不應由一人同時兼任。

陳志先生擔任本公司主席兼首席執行官，負責開創本公司獨樹一幟的業務模式，在本公司整體經營管理中擔當主要決策角色及監督本集團的策略開發。董事會將定期舉行會議，考慮及審議影響本公司經營的重大及合適議題。因此，董事會認為已採納足夠措施，不會使董事會與管理層之間的權力及授權失衡。

獨立非執行董事

本公司已遵守上市規則第3.10(1)條，委任三名獨立非執行董事，佔董事會人數三分之一以上。本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的書面確認。基於有關確認，董事會認為全體獨立非執行董事均屬獨立人士。

Corporate Governance Report 企業管治報告

Appointment and Re-election of Directors

Each of the executive Directors and non-executive Director has entered into a service contract with the Company for a term of three years commencing from the Listing Date, which may be terminated by not less than six months' notice in writing served by either party on the other. The independent non-executive Directors have been appointed for a term of three years and shall be terminable by either party giving not less than two months prior notice in writing. The Directors have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next annual general meeting of our Company and shall then be eligible for re-election at that meeting. In accordance with the articles of association of the Company, at every annual general meeting of the Company, one-third of the Directors for the time being or, if the number is not three or a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation provided that every Directors (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by the Directors. Directors are reminded of their obligations under the Model Code on a regular basis. The Company has made specific enquiry of all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Period Under Review.

委任及重選董事

各執行董事及非執行董事已與本公司訂立服務合約，由上市日期起為期三年，可由任何一方方向另一方發出不少於六個月的書面通知而終止。獨立非執行董事委任年期為三年，可由任何一方發出不少於兩個月的事先書面通知而終止。董事有權隨時及不時委任任何人士出任董事，以填補臨時空缺或出任新增的董事職位。按上述方式委任的董事，任期將於本公司下屆股東週年大會舉行時屆滿，屆時符合資格可於會上重選連任。根據本公司組織章程細則，於本公司每年的股東週年大會上，三分之一在任董事，或倘董事人數並非三位或三的倍數，則最接近但不少於三分之一的董事須輪席告退，惟每名董事（包括按特定任期獲委任的董事）均須最少每三年輪席告退一次。

董事進行證券交易的標準守則

本公司採納上市規則附錄十所載標準守則（「標準守則」），作為本公司董事進行證券交易的行為守則。本公司定期提醒各董事彼等於標準守則下須履行之責任。在本公司向全體董事作出特定查詢後，全體董事確認彼等於回顧期間一直遵守標準守則所載的規定標準。

BOARD COMMITTEES

Audit Committee

The audit committee of the Company (the "Audit Committee") has been established on 8 November, 2010 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members, all are independent non-executive Directors, namely Mr. Wong Heung Ming, Henry (Chairman), Mr. Zhou Chang Ren and Mr. Zhuo Ze Yuan.

The primary duties of the Audit Committee are:

- To make recommendations to the Board on (i) the appointment, reappointment and removal of the external auditors; (ii) the audit fee and terms of engagement of the external auditors; and (iii) any questions of resignation or dismissal of that auditor
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards
- To monitor the integrity of the financial statements of the Company and the Company's annual report and accounts, interim report and quarterly financial highlights, and reviewing significant financial reporting judgments contained in those reports
- To review the adequacy and monitor the effectiveness of the Company's financial reporting system, internal control and risk management systems.

The Audit Committee has reviewed with the management in conjunction with the external auditor, the audited annual results and annual report of the Group for the year ended 31 December, 2010, including the accounting policies and practice adopted by the Group.

董事委員會

審核委員會

本公司於二零一零年十一月八日成立審核委員會（「審核委員會」），並制訂符合企業管治守則的書面職權範圍。審核委員會包括三名成員，即黃向明先生（主席）、周昌仁先生及卓澤淵先生，全部均為獨立非執行董事。

審核委員會的主要職責為：

- 就(i)委任、重新委任及撤換外部核數師；(ii)外部核數師的核數費用及委聘條款；及(iii)任何有關核數師辭任或解聘的問題向董事會提出建議；
- 按照適用準則，檢討及監察外部核數師的獨立及客觀性，以及核數程序的成效；
- 監察本公司財務報表、本公司年報及賬目、中期報告及季度財務摘要的完整性，並審閱該等報告所載就財務報告作出的重大判斷；及
- 檢討本公司財務報告制度、內部監控及風險管理制度是否全面，並監察其成效。

審核委員會已會同外部核數師與管理層審閱本公司截至二零一零年十二月三十一日止年度的經審核年度業績及年報，包括本集團採納的會計政策及慣例。

Corporate Governance Report 企業管治報告

During the Period Under Review, the Audit Committee had performed their primary duties to review and supervise the financial reporting process and the internal control procedures of the Company. The Company has also held meeting with the Company's external auditors, Messrs. PricewaterhouseCoopers ("PWC") without the presence of executive Directors and management, to discuss matters arising from the auditing and report to the Board on material issues, if any, and make recommendations to the Board.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") has been established on 8 November, 2010 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three members, namely Mr. Zhou Chang Ren (Chairman), Mr. Chen Zhi and Mr. Wong Heung Ming, Henry, the majority of which are independent non-executive Directors. The primary duties of the Remuneration Committee are to evaluate and make recommendations to the Board regarding the remuneration packages to the Directors and senior management which will be determined by reference to the performance of the individual and the Company as well as market trends and practices.

As the Company was listed on 3 December, 2010, one Remuneration Committee meeting was held during the Period Under Review. From 2011 onwards, the Remuneration Committee will conduct meeting at least once a year.

於回顧期間，審核委員會已履行其主要職責，檢討及監督本公司的財務報告程序及內部監控程序。本公司亦在執行董事及管理層不出席的情況下，與其外部核數師羅兵咸永道會計師事務所（「羅兵咸永道會計師事務所」）舉行會議，討論因核數而產生的事項，並向董事會匯報重大事宜（如有），以及向董事會提供推薦意見。

薪酬委員會

本公司於二零一零年十一月八日成立薪酬委員會（「薪酬委員會」），並制訂符合企業管治守則的書面職權範圍。薪酬委員會包括三名成員，即周昌仁先生（主席）、陳志先生及黃向明先生，大部分為獨立非執行董事。薪酬委員會的主要職責為評估董事及高級管理層的薪酬，並就此向董事會提供推薦意見。有關薪酬將參照個人及本公司表現以及市場趨勢及慣例釐定。

由於本公司於二零一零年十二月三日上市，故薪酬委員會於回顧期間曾舉行一次會議。由二零一一年起，薪酬委員會將最少每年舉行一次會議。

Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) has been established on 8 November, 2010 with written terms of reference in compliance with the CG Code. The Nomination Committee currently comprises three members, namely Mr. Zhuo Ze Yuan (Chairman), Mr. Chen Zhi and Mr. Wong Heung Ming, Henry, the majority of which are independent non-executive Directors. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee selects and recommends the candidates for directorship shall base on the criterion including professional knowledge, competence, experience, independence and integrity.

As the Company was listed on 3 December, 2010, one Remuneration Committee meeting was held during the Period Under Review. From 2011 onwards, the Remuneration Committee will conduct meeting at least once a year.

ACCOUNTABILITY AND AUDIT

Directors’ and Auditors’ Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for preparing the Company’s financial statements for the year ended 31 December, 2010 which reflect true and fair view of the financial position of the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. The Board is responsible for presenting a balanced, clear and comprehensible assessment extends to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules.

提名委員會

本公司於二零一零年十一月八日成立提名委員會（「提名委員會」），並制訂符合企業管治守則的書面職權範圍。提名委員會現時包括三名成員，即卓澤淵先生（主席）、陳志先生及黃向明先生，大部分為獨立非執行董事。提名委員會的主要職責為就委任及重新委任董事及董事繼任計劃向董事會提供推薦意見。提名委員會根據專業知識、勝任能力、經驗、獨立性及誠信等準則挑選及推薦董事人選。

由於本公司於二零一零年十二月三日上市，故提名委員會於回顧期間曾舉行一次會議。由二零一一年起，提名委員會將最少每年舉行一次會議。

問責及核數

董事及核數師就財務報表的責任

董事清楚彼等須負責編製本公司截至二零一零年十二月三十一日止年度的財務報表，而財務報表須真實及公平地反映本集團的財務狀況，及符合相關法例及上市規則的披露規定。董事會負責衡平、清晰及全面地評估年報及中期報告、其他股價敏感公告及上市規則規定的其他財務披露事項。

Corporate Governance Report

企業管治報告

The Group appointed PricewaterhouseCoopers as the Group's external auditor. The statement by PricewaterhouseCoopers regarding their reporting responsibility to the shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 71 to 73 of this annual report.

During the year ended 31 December, 2010, the remuneration paid or payable to PricewaterhouseCoopers for audit services in respect of the Company's listing on the Hong Kong Stock Exchange, annual audit and non-audit services amounted to RMB12,191,000, RMB811,000 and RMB78,000 respectively.

Internal Controls

The Board is responsible for maintaining sound and effective internal controls to safeguard the shareholders' investment and the assets of the Group. During the Period Under Review, the Board has reviewed the effectiveness of the internal control system of the Group through the Audit Committee.

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognises the importance of effective communications with shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all shareholders equal access to such information. The Company also publishes all documents on the Company's website at www.shifangholding.com

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the Annual General Meeting.

本集團已委任羅兵咸永道會計師事務所為本集團外部核數師。羅兵咸永道會計師事務所就其向股東報告本集團合併財務報表的責任發出的聲明載於本年報第71至73頁的獨立核數師報告內。

於截至二零一零年十二月三十一日止年度，就本公司於香港聯交所上市的審核服務、年度審核及非審核服務而已付或應付羅兵咸永道會計師事務所的酬金分別為人民幣12,191,000元、人民幣811,000元及人民幣78,000元。

內部監控

董事會負責維持穩健而有效的內部監控，以保障股東的投資及本集團資產。於回顧期間，董事會已透過審核委員會檢討本集團內部監控制度的成效。

投資者及股東關係

董事會了解與股東有效溝通的重要性，繼續以本公司及其股東的最佳利益為依歸行事。本公司透過採納符合上市規則、具透明度及適時的披露政策，讓股東及投資者清楚其業務表現及策略，並為所有股東提供取得該等資料的平等途徑。本公司亦於本公司網站 (www.shifangholding.com) 登載所有文件。

本公司股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動的平台。董事及委員會成員均會出席股東週年大會解答提問。



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TO THE SHAREHOLDERS OF SHIFANG HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Shifang Holding Limited ("the Company") and its subsidiaries (together, the "Group") set out on pages 74 to 196, which comprise the consolidated and company balance sheets as at December 31, 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致十方控股有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第74至196頁十方控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於二零一零年十二月三十一日的合併和公司資產負債表與截至該日止年度的合併全面收益表、合併權益變動表及合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

核數師的責任

我們的責任是根據我們的審計對該等合併財務報表作出意見。我們已根據國際審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

Independent Auditor's Report 獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2010, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 29, 2011

意見

我們認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

其他事項

本報告（包括意見）乃為股東而編製並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

羅兵咸永道會計師事務所
執業會計師

香港，二零一一年三月二十九日

Consolidated Balance Sheet

合併資產負債表

		As at December 31, 於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	7	51,315
Investment properties	投資物業	8	1,817
Intangible assets	無形資產	9	4,198
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	11	190,000
			<u>60,000</u>
			<u>247,330</u>
Current assets	流動資產		
Inventories	存貨	13	5,287
Assets held for sale	持作出售資產	12	29,848
Trade receivables – net	貿易應收款項－淨額	10	254,629
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	11	187,773
Amount due from immediate holding company	應收直接控股公司款項	32(c)	–
Amounts due from related parties	應收關連人士款項	32(c)	14,135
Cash and cash equivalents	現金及現金等值項目	14	546,001
			<u>1,037,673</u>
			<u>401,269</u>
Total assets	總資產		<u>1,285,003</u>
			<u>499,588</u>
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	19	63,860
Share premium	股份溢價	19	540,311
Other reserves	其他儲備	20	91,268
Retained earnings	保留溢利		375,675
			<u>1,071,114</u>
			<u>301,293</u>
Non-controlling interests	非控股權益		472
			<u>487</u>
Total equity	權益總額		<u>1,071,586</u>
			<u>301,780</u>

Consolidated Balance Sheet 合併資產負債表

		As at December 31, 於十二月三十一日	
		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
LIABILITIES	負債		
Non-current liability	非流動負債		
Borrowing	16	2,789	–
		<u>2,789</u>	<u>–</u>
Current liabilities	流動負債		
Trade payables	17	4,164	3,722
Other payables and accrued expenses	17	114,825	56,445
Current income tax liabilities		34,678	28,065
Borrowings	16	51,818	47,260
Amounts due to directors	32(c)	1,973	1,374
Amount due to immediate holding company	32(c)	1,731	–
Amounts due to related parties	32(c)	1,439	60,942
		<u>210,628</u>	<u>197,808</u>
Total liabilities	總負債	<u>213,417</u>	<u>197,808</u>
Total equity and liabilities	權益及負債總額	<u>1,285,003</u>	<u>499,588</u>
Net current assets	流動資產淨值	<u>827,045</u>	<u>203,461</u>
Total assets less current liabilities	總資產減流動負債	<u>1,074,375</u>	<u>301,780</u>

Approved and authorised for issue by the Board of Directors on March 29, 2011 and signed on behalf of the Board by:

經董事會於二零一一年三月二十九日批准並授權刊發，並下列董事代表董事會簽署：

Chen Zhi

陳志

Director

董事

Hong Pei Feng

洪培峰

Director

董事

The notes on pages 80 to 196 are an integral part of these financial statements.

第80至196頁的附註屬此等財務報表的重要部分。

Balance Sheet

資產負債表

		Note	As at December 31, 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
		附註	
ASSETS	資產		
Non-current asset	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	21	342
			<u>342</u>
Current assets	流動資產		
Other receivable	其他應收款項	11	26,672
Amounts due from subsidiaries	應收附屬公司款項	22	494,220
Cash and cash equivalents	現金及現金等值項目	14	189,801
			<u>710,693</u>
Total assets	總資產		<u>711,035</u>
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	19	63,860
Share premium	股份溢價	19	540,311
Equity-based compensation reserves	以股權為基礎的薪酬儲備	20	5,263
Accumulated deficits	累計虧絀	20	(5,520)
			<u>603,914</u>
Total equity	權益總額		<u>603,914</u>
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accrued expenses	其他應付款項及應計開支	17	26,930
Amounts due to subsidiaries	應付附屬公司款項	22	80,191
			<u>107,121</u>
Total liabilities	總負債		<u>107,121</u>
Total equity and liabilities	權益及負債總額		<u>711,035</u>
Net current assets	流動資產淨值		<u>603,572</u>
Total assets less current liabilities	總資產減流動負債		<u>603,914</u>

The notes on pages 80 to 196 are an integral part of these financial statements.

第80至196頁的附註屬此等財務報表的重要部分。

Consolidated Statement of Comprehensive Income

合併全面收益表

		Year ended December 31, 截至十二月三十一日止年度		
		2010	2009	
		二零一零年	二零零九年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
Revenues	收入	5	529,940	462,967
Cost of sales	銷售成本	24	(274,144)	(243,090)
Gross profit	毛利		255,796	219,877
Selling and marketing expenses	銷售及市場推廣開支	24	(26,770)	(22,565)
General and administrative expenses	一般及行政開支	24	(51,994)	(34,776)
Other income – net	其他收入 – 淨額	23	9,591	6,113
Operating profit	經營溢利		186,623	168,649
Finance income	融資收益	26	274	46
Finance costs	融資成本	26	(1,462)	(3,270)
Finance costs – net	融資成本 – 淨額	26	(1,188)	(3,224)
Profit before income tax	除所得稅前溢利		185,435	165,425
Income tax expenses	所得稅開支	27	(24,355)	(24,645)
Profit for the year	年內溢利		161,080	140,780
Other comprehensive income – Revaluation surplus	其他全面收益 – 重估盈餘		919	–
Total comprehensive income for the year	年內全面收益總額		161,999	140,780
Profit/(loss) attributable to:	以下各項應佔溢利/(虧損):			
– Equity holders of the Company	– 本公司權益持有人		161,095	140,819
– Non-controlling interests	– 非控股權益		(15)	(39)
			161,080	140,780
Total comprehensive income/(loss) attributable to:	以下各項應佔全面收益/(虧損)總額:			
– Equity holders of the Company	– 本公司權益持有人		162,014	140,819
– Non-controlling interests	– 非控股權益		(15)	(39)
			161,999	140,780
Earnings per share for profit attributable to equity holders of the Company	本公司權益持有人應佔溢利的每股溢利			
– Basic (RMB per share)	– 基本 (每股人民幣)	28	0.2858	0.2564
– Diluted (RMB per share)	– 攤薄 (每股人民幣)	28	0.2824	0.2564
Dividend	股息	29	–	–

The notes on pages 80 to 196 are an integral part of these financial statements.

第80至196頁的附註屬此等財務報表的重要部分。

Consolidated Statement of Changes in Equity

合併權益變動表

		Share capital	Share premium	Capital reserves	Revaluation reserve	Equity-based compensation reserves	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total Equity
		股本	股份溢價	資本儲備	重估儲備	以股權為基礎的薪酬儲備	法定儲備	保留溢利	總計	非控股權益	權益總額
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at January 1, 2010		-	-	62,081	-	-	19,042	220,170	301,293	487	301,780
Comprehensive income	全面收益										
Profit/(loss) for the year		-	-	-	-	-	-	161,095	161,095	(15)	161,080
Revaluation surplus		-	-	-	919	-	-	-	919	-	919
Total comprehensive income		-	-	-	919	-	-	161,095	162,014	(15)	161,999
Transactions with owners	與擁有人的交易										
Appropriation to statutory reserves		-	-	-	-	-	5,590	(5,590)	-	-	-
Contributions from equity holders		48,284	190,657	-	-	-	-	-	238,941	-	238,941
Issuance of share capital	19(b)	-	342	(342)	-	-	-	-	-	-	-
Share issuance costs		-	-	(1,285)	-	-	-	-	(1,285)	-	(1,285)
Equity-based compensation		-	-	-	-	5,263	-	-	5,263	-	5,263
Issue of shares in connection with the Global Offering		-	-	-	-	-	-	-	-	-	-
Issue of shares in connection with the Global Offering	19(c)	15,576	456,365	-	-	-	-	-	471,941	-	471,941
Share issuance costs in connection with the Global Offering		-	(107,053)	-	-	-	-	-	(107,053)	-	(107,053)
Total transactions with owners		63,860	540,311	(1,627)	-	5,263	5,590	(5,590)	607,807	-	607,807
Balance at December 31, 2010		63,860	540,311	60,454	919	5,263	24,632	375,675	1,071,114	472	1,071,586
Balance at January 1, 2009		-	-	62,081	-	-	9,277	89,116	160,474	526	161,000
Comprehensive income	全面收益										
Profit/(loss) for the year		-	-	-	-	-	-	140,819	140,819	(39)	140,780
Total comprehensive income		-	-	-	-	-	-	140,819	140,819	(39)	140,780
Transactions with owners	與擁有人的交易										
Appropriation to statutory reserves		-	-	-	-	-	9,765	(9,765)	-	-	-
Total transactions with owners		-	-	-	-	-	9,765	(9,765)	-	-	-
Balance at December 31, 2009		-	-	62,081	-	-	19,042	220,170	301,293	487	301,780

The notes on pages 80 to 196 are an integral part of these financial statements.

第80至196頁的附註屬此等財務報表的重要部分。

Consolidated Statement of Cash Flows 合併現金流量表

		Year ended December 31, 截至十二月三十一日止年度	
		2010 二零一零年	2009 二零零九年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from operations	經營業務所得現金	30(a) 85,692	59,431
Interest received	已收利息	26 274	46
Interest paid	已付利息	26 (1,462)	(3,270)
Income tax paid	已付所得稅	(17,742)	(7,943)
Net cash generated from operating activities	經營業務所得現金淨額	66,762	48,264
Cash flows from investing activities	投資活動所得現金流量		
Prepayment for long term investment	長期投資的預付款項	11 (98,000)	-
Additions of property, plant and equipment	物業、廠房及設備添置	7 (23,955)	(1,973)
Additions of intangible assets	無形資產添置	9 (1,030)	(15)
Deposits to newspaper publishers	給予報紙出版商的按金	11 (32,000)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	30(b) 151	3
Net cash used in investing activities	投資活動所用現金淨額	(154,834)	(1,985)
Cash flows from financing activities	融資活動所得現金流量		
Capital injection from equity holders of the Company	本公司權益持有人注資	19 238,941	-
Proceeds from borrowings	借款所得款項	54,607	64,520
Repayment of borrowings	償還借款	(47,260)	(63,860)
Proceeds from loans from related parties	支取來自關連人士的貸款	8,656	46,837
Repayment of loans from related parties	償還關連人士貸款	(64,125)	(63,867)
Proceeds from issuance of ordinary shares pursuant to the Global Offering	依據全球發售發行普通股所得款項	19 471,941	-
Payments for share issuance costs	支付股份發行成本	(69,330)	-
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額	593,430	(16,370)
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	505,358	29,909
Cash and cash equivalents at beginning of the year	年初的現金及現金等值項目	14 40,643	10,734
Cash and cash equivalents at end of the year	年末的現金及現金等值項目	14 546,001	40,643

The notes on pages 80 to 196 are an integral part of these financial statements.

第80至196頁的附註屬此等財務報表的重要部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

1 GENERAL INFORMATION AND GROUP REORGANISATION

(a) General information

Shifang Holding Limited (the “Company”) was incorporated in the Cayman Islands on December 9, 2009 as an exempted company with limited liability under the Companies Law (2009 Revision as amended, supplemented or otherwise modified) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the “Group”) are principally engaged in the business of publishing and advertising (the “Publishing and Advertising Businesses”) in the People’s Republic of China (the “PRC”). The immediate holding company of the Company is China TopReach Inc. (“China TopReach”), a company whose shares are quoted on the Over the Counter Bulletin Board (“OTC”) in the United States of America.

On December 3, 2010 (“the Listing Date”), the shares of the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), pursuant to which 183,042,000 new shares of HK\$0.1 each were issued by the Company (the “Global Offering”).

These consolidated financial statements are presented in thousands of units of Renminbi (RMB’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 29, 2011.

1 一般資料及集團重組

(a) 一般資料

十方控股有限公司(「本公司」)於二零零九年十二月九日在開曼群島根據開曼群島公司法(二零零九年修訂版,經修訂、補充或以其他方式修改)註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。

本公司為一家投資控股公司,而其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事出版及廣告業務(「出版及廣告業務」)。本公司的直接控股公司為中國天瑞控股有限公司(「中國天瑞」,該公司的股份在美利堅合眾國場外交易議價板(「場外交易議價板」)報價。

於二零一零年十二月三日(「上市日期」),本公司股份於香港聯合交易所有限公司(「香港聯交所」)主板上市,據此,本公司發行183,042,000股每股面值0.1港元的新股(「全球發售」)。

除另有說明者外,此等合併財務報表以人民幣千元呈列。此等合併財務報表已獲董事會於二零一一年三月二十九日批准刊發。

Notes to the Consolidated Financial Statements 合併財務報表附註

1 GENERAL INFORMATION AND GROUP REORGANISATION (continued)

(b) Reorganisation

In preparation for the listing of the Company's shares on the Hong Kong Stock Exchange (the "Listing"), the Publishing and Advertising Businesses underwent a group reorganisation (the "Reorganisation"), pursuant to which the companies engaged in the publishing and advertising businesses of the Group were transferred to the Company. The Reorganisation involved the followings:

- On December 9, 2009, the Company was incorporated with one issued share capital of HK\$0.10 allotted and issued to China TopReach.
- Pursuant to an agreement on January 14, 2010, certain shareholders of China TopReach, namely: TopBig International Development Limited ("TopBig International"), Blazing Sun Holdings Limited ("Blazing Sun") and Keep Profit International Capital Limited ("Keep Profit") transferred its equity interest in China TopReach to the Company in exchange for 80,000,000 new shares allotted by the Company.
- On the same date, 319,999,999 shares are issued and allotted to China TopReach and they are credited as fully paid pursuant to the capitalisation issue immediately following the issue of new shares to TopBig International, Blazing Sun and Keep Profit.

1 一般資料及集團重組 (續)

(b) 重組

為籌備本公司股份在香港聯交所上市(「上市」)，出版及廣告業務進行了集團重組(「重組」)，據此，從事本集團出版及廣告業務的各公司乃轉讓予本公司。重組涉及下列各項：

- 於二零零九年十二月九日，本公司註冊成立，一股0.10港元的已發行股本乃配發及發行予中國天瑞。
- 根據於二零一零年一月十四日訂立的協議，中國天瑞若干股東(即昇平國際發展有限公司(「昇平國際」)、驕陽控股有限公司(「驕陽」)及創盈國際資本有限公司(「創盈」))將其於中國天瑞的股權轉讓予本公司，而本公司則配發80,000,000股新股作為交換。
- 同日，319,999,999股股份獲發行及配發予中國天瑞，並於緊隨向昇平國際、驕陽及創盈發行新股後根據資本化發行將有關股份入賬列作繳足。

Notes to the Consolidated Financial Statements 合併財務報表附註

1 GENERAL INFORMATION AND GROUP REORGANISATION (continued)

(b) Reorganisation (continued)

- Pursuant to an agreement dated January 18, 2010 China TopReach transferred its entire equity interests in Olympia Media to the Company in exchange for US\$50,000. Thereafter, the Company became the holding company of the Group.

(c) Basis of presentation

Pursuant to the Reorganisation as described in Note 1 (b), the Reorganisation has been accounted for as a reorganisation of businesses under common control as there has been no change in control immediately before and after the Reorganisation. The Reorganisation has been accounted for in a manner similar to pooling-of-interests and the principles of merger accounting under Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations”. The consolidated financial statements have been prepared as if the current group structure had been in existence throughout the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), using the historical cost convention as modified by the revaluation of investment properties, which are carried at fair value.

1 一般資料及集團重組 (續)

(b) 重組 (續)

- 根據於二零一零年一月十八日訂立的協議，中國天瑞將其於奧海傳媒的全部股權以50,000美元的代價轉讓予本公司。此後，本公司成為本集團的控股公司。

(c) 呈列基準

依據附註1(b)所述的重組，由於緊接重組前及緊隨重組後控制權並無出現變動，故重組已入賬列為共同控制業務的重組。重組已按類似權益結合法的方式及香港會計指引第5號「共同控制合併的合併會計法」項下的合併會計原則入賬。編製合併財務報表時乃假設目前集團架構於年內一直存在。

2 主要會計政策概要

合併財務報表乃根據國際財務報告準則（「國際財務報告準則」）採用歷史成本法編製，並經投資物業（按公允價值列賬）重估修改。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation

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

Change in accounting policy and disclosures

(a) *New and amended standards effective in 2010*

The Group has adopted the following new and amended standards and interpretation as at January 1, 2010:

- IFRIC 17 Distribution of non-cash assets to owners
- IAS 27 (revised) Consolidated and separate financial statements
- IFRS 3 (revised) Business combinations
- IAS 38 (amendment) Intangible assets
- IFRS 5 (amendment) Measurement of non-current assets (or disposal groups) classified as held for sale
- IAS 1 (amendment) Presentation of financial statements
- IFRS 2 (amendment) Share-based payment

2 主要會計政策概要 (續)

2.1 編製基準

編製符合國際財務報告準則的合併財務報表需要採用若干關鍵會計估計。管理層亦須在採用本集團會計政策的過程中作出判斷。涉及高度判斷或極為複雜的範疇，或涉及對合併財務報表屬重大假設及估計的範疇於附註4披露。

會計政策及披露事項的變動

(a) 於二零一零年生效的新訂及經修訂準則

本集團已於二零一零年一月一日採納下列新訂及經修訂準則及詮釋：

- 國際財務報告詮釋委員會第17號 向所有者分配非現金資產
- 國際會計準則第27號 (經修訂) 合併及獨立財務報表
- 國際財務報告準則第3號 (經修訂) 業務合併
- 國際會計準則第38號 (修訂本) 無形資產
- 國際財務報告準則第5號 (修訂本) 分類為持作出售非流動資產 (或出售組別) 的計量
- 國際會計準則第1號 (修訂本) 財務報表的呈列
- 國際財務報告準則第2號 (修訂本) 以股份為基礎的支付

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2010
(continued)*

IFRIC 17 'Distribution of non-cash assets to owners'

The interpretation is part of the IASB's annual improvements project published in May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The interpretation does not have a material impact on the Group's or Company's financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(a) 於二零一零年生效的新訂及
經修訂準則 (續)

國際財務報告詮釋委員會第17號「向所有者分配非現金資產」

此項詮釋為國際會計準則委員會於二零零九年五月公佈的年度改進項目的一部分。此項詮釋就實體向股東分派非現金資產作為儲備分派或股息的安排的會計方法提供指引。國際財務報告準則第5號亦已被修改，規定資產只能夠在其現有狀況下可供分派及極可能分派時才可分類為持作分派。此項詮釋不會對本集團或本公司的財務報表造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2010 (continued)*

IAS 27 (revised) 'Consolidated and separate financial statements'

The revised standard requires the effects of all transactions with non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. In this respect, it does not change the existing accounting policy of the Group. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interest from January 1, 2010. It does not have a material impact on the Group's or Company's financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(a) 於二零一零年生效的新訂及經修訂準則 (續)

國際會計準則第27號 (經修訂)「合併及獨立財務報表」

此項經修訂準則規定，如控制權沒有改變，則與非控股權益進行的所有交易的影響必須在權益中列報，而此等交易將不再導致商譽或盈虧。就此而言，此項經修訂準則並無改變本集團現有的會計政策。此項準則亦列明失去控制權時的會計方法。在實體內的任何剩餘權益按公允價值重新計量，並在損益賬中確認損益。本集團將會按未來基準對自二零一零年一月一日起與非控股權益進行的交易採用國際會計準則第27號 (經修訂)。其不會對本集團或本公司的財務報表造成重大影響。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

- (a) *New and amended standards effective in 2010
(continued)*

IFRS 3 (revised) 'Business combinations'

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. It does not have a material impact on the Group's or Company's financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

- (a) 於二零一零年生效的新訂及
經修訂準則 (續)

國際財務報告準則第3號 (經
修訂)「業務合併」

此項經修訂準則繼續對業務合併應用收購法，但有些重大更改。例如，收購業務的所有款項必須按收購日期的公允價值記錄，而分類為債務的或有付款其後須在收益表重新計量。就被收購方的非控股權益而言可因應逐項收購選擇按公允價值或非控股權益應佔被收購方淨資產的比例計量。所有收購相關成本應予支銷。其不會對本集團或本公司的財務報表造成重大影響。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2010 (continued)*

IAS 38 (amendment) 'Intangible Assets'

The amendment is part of the IASB's annual improvements project published in May 2009 and the Group and Company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment does not have a material impact on the Group's or Company's financial statements.

IFRS 5 (amendment) 'Measurement of non-current assets (or disposal groups) classified as held for sale'

The amendment is part of the IASB's annual improvements project published in May 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. This amendment does not have a material impact on the Group's or Company's financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(a) 於二零一零年生效的新訂及經修訂準則 (續)

國際會計準則第38號 (修訂本)「無形資產」

此項修訂為國際會計準則委員會於二零零九年五月公佈的年度改進項目的一部分，而本集團及本公司將會於國際財務報告準則第3號 (經修訂) 採納日期起應用國際會計準則第38號 (修訂本)。此項修訂澄清了對於業務合併中收購的無形資產公允價值的計量指引，並容許假若每項資產的可使用經濟年期相近，可將無形資產組合為單一資產。此項修訂不會對本集團或本公司的財務報表造成重大影響。

國際財務報告準則第5號 (修訂本)「分類為持作出售非流動資產 (或出售組別) 的計量」

此項修訂為國際會計準則委員會於二零零九年五月公佈的年度改進項目的一部分。此項修訂澄清了國際財務報告準則第5號說明分類為持作出售非流動資產 (或出售組別) 或已終止經營業務規定的披露事項。此項修訂亦澄清了國際會計準則第1號的一般規定仍然適用，尤其是國際會計準則第1號第15段 (以達致公允呈列) 及第125段 (估計不確定性的來源)。此項修訂不會對本集團或本公司的財務報表造成重大影響。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2010
(continued)*

IAS 1 (amendment) 'Presentation of financial statements'

The amendment is part of the IASB's annual improvements project published in May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment does not have a material impact on the Group's or Company's financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(a) 於二零一零年生效的新訂及
經修訂準則 (續)

國際會計準則第1號 (修訂本)
「財務報表的呈列」

此項修訂為國際會計準則委員會於二零零九年五月公佈的年度改進項目的一部分。此項修訂澄清了意圖透過發行權益清償負債，與該項負債被分類為流動或非流動並無關係。透過修改流動負債的定義，此項修改容許一項負債被分類為非流動（倘實體有無條件權利透過轉讓現金或其他資產將其負債清償日期遞延至會計期後最少12個月），而不論對手方是否可能要求實體隨時以股份清償。此項修訂不會對本集團或本公司的財務報表造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2010 (continued)*

IFRS 2 (amendment) 'Share-based Payment'

IFRS 2 (amendment) clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction. The amendments also incorporate the guidance contained in currently effective IFRIC 11 and hence once the amendments are effective these two interpretations will be withdrawn.

Improvements to IFRS 2009 were issued in May 2009. The effective dates vary standard by standard but most are effective from January 1, 2010.

Improvements to IFRS 2010 published in May 2010. These improvements contain amendments to IFRS 1, IFRS 3, IFRS 7 and IAS 1, IAS 27, IAS 34 and IFRIC – Int 13 which are effective from annual periods beginning on or after January 1, 2011. Earlier application is permitted.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(a) 於二零一零年生效的新訂及經修訂準則 (續)

國際財務報告準則第2號(修訂本)「以股份為基礎的支付」

國際財務報告準則第2號(修訂本)闡明國際財務報告準則第2號的範圍,以及當收取貨品或服務的實體並無責任結算以股份為基礎的交易時,於該實體的獨立或個別財務報表中一組現金結算以股份為基礎的支付交易的會計處理方法。此等修訂亦合併現時生效的國際財務報告詮釋委員會第11號,因此倘修訂一經生效,則該兩項詮釋將予以撤銷。

國際財務報告準則(2009年版)的改進於二零零九年五月頒佈。生效日期按準則而有所不同,惟大部分在二零一零年一月一日生效。

國際財務報告準則(2010年版)的改進於二零一零年五月公佈。此等改進包括自二零一一年一月一日或之後開始年度期間生效的國際財務報告準則第1號、國際財務報告準則第3號、國際財務報告準則第7號及國際會計準則第1號、國際會計準則第27號、國際會計準則第34號及國際財務報告詮釋委員會—詮釋第13號的修訂本。允許提前採用。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

- (a) *New and amended standards effective in 2010
(continued)*
IFRS 2 (amendment) 'Share-based Payment'
(continued)

The adoption of new IFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared. Accordingly, no prior year adjustment has been required.

- (b) *New and amended standards that are not yet
effective and have not been adopted by the
Group*

The following standards and amendments to existing standards have been published and are mandatory and relevant for the Group's accounting periods beginning on or after January 1, 2011, or later periods, but the Group has not early adopted them:

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

- (a) 於二零一零年生效的新訂及
經修訂準則 (續)
國際財務報告準則第2號 (修
訂本)「以股份為基礎的支付」
(續)

採納新訂國際財務報告準則對
如何編製目前或過往會計年度
的業績及財務狀況並無重大
影響。因此，毋須作出往年調
整。

- (b) 尚未生效及本集團尚未採納的
新訂及經修訂準則

下列準則及現有準則的修訂已
公佈，並屬強制性，且與本集
團於二零一一年一月一日或之
後開始的會計期間或較後期
間相關，但本集團並未提早採
納：

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(b) *New and amended standards that are not yet effective and have not been adopted by the Group (continued)*

IAS 24 'Related party disclosures' primarily amends the disclosure requirements applicable to government-related entities and, more generally, the definition of a related party. Government-related entities are defined as those entities which are controlled, jointly controlled or significantly influenced by a government (which term includes government agencies and similar bodies, whether local, national or international). The amendments aim to provide relief from disclosure of information by government-related entities in respect of transactions with the government-related entities to which the reporting entity is related, or transactions with other entities related to the same government, where the information may be costly to gather and of less value to users. In respect of the definition of a related party, the amendments aim to simplify the definition and remove inconsistencies.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(b) *尚未生效及本集團尚未採納的新訂及經修訂準則 (續)*

國際會計準則第24號「關連人士披露」主要修訂政府相關實體適用的披露規定及(廣義而言)關連人士的定義。政府相關實體界定為受政府(此詞包括地方、國家或國際政府機構及類似團體)控制、共同控制或重大影響的實體。此等修訂旨在於資料搜集代價高昂及對使用者價值不大的情況下,減少政府相關實體就與涉及申報實體的政府相關實體進行的交易,或與涉及同一政府的其他實體進行的交易而披露的資料。就關連人士的定義而言,此等修訂旨在簡化定義及消除歧義。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(b) *New and amended standards that are not yet effective and have not been adopted by the Group (continued)*

The source of IFRS 9 "Financial Instruments", IFRS 9, is the first finalised part of a wider project being undertaken by the IASB to reduce the complexity of the current requirements and to replace IAS 39, Financial instruments: recognition and measurement. IFRS 9 deals with classification and measurement of financial assets only. The Standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value, with the basis of classification dependent on the entity's business model and the contractual cash flow characteristics of the financial assets. Further parts of the project, which are expected to be completed by the end of 2010, will deal with impairment of financial assets, measurement of financial liabilities, derecognition of financial instruments, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, but may be applied earlier. An early adopter of IFRS 9 continues to apply IAS 39 for other accounting requirements for financial instruments within its scope that are not covered by IFRS 9. In general, the Standard requires retrospective adoption (i.e. the comparatives should be restated in the first year of adoption) unless it is adopted for a period beginning before January 1, 2012 (in which case adjustments are required to opening balances in first period of adoption). There are several other exceptions to this principle where extensive transitional provisions have been set out.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(b) *尚未生效及本集團尚未採納的新訂及經修訂準則 (續)*

國際財務報告準則第9號「金融工具」的來源—國際財務報告準則第9號，為國際會計準則委員會為減少現有規定複雜性及取代國際會計準則第39號「金融工具：確認及計量」而進行的更大規模項目的首個完成部分。國際財務報告準則第9號僅處理金融資產的分類及計量。此項準則保留但簡化混合計量模式，並就金融資產建立兩個主要計量分類：攤銷成本及公允價值，而分類基準視乎實體業務模式及金融資產的合約現金流量性質而定。該項目的其他部分預期在二零一零年年底完成，將處理金融資產減值、金融負債計量、終止確認金融工具、減值及對沖會計處理。國際財務報告準則第9號於二零一三年一月一日或之後開始的年度期間生效，惟可提前應用。提前採納國際財務報告準則第9號者就國際財務報告準則第9號範圍內並未涉及的金融工具其他會計規定繼續應用國際會計準則第39號。一般而言，此項準則規定追溯採納（即比較數字應在採納的首個年度重列），除非其在二零一二年一月一日之前開始的期間採納則作別論（在此情況下，須對採納後第一個期間的期初結餘作出調整）。此原則設有多個其他例外情況，並已載列大量過渡性條文。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Change in accounting policy and disclosures (continued)

(b) *New and amended standards that are not yet effective and have not been adopted by the Group (continued)*

The Group has already commenced an assessment of the impact of above new standards, revised standards and amendments to existing standards and interpretations but is not yet in a position to state whether the new standards, revised standards and amendments to existing standards and interpretations would have a significant impact to its results of operations and financial position.

2.2 Consolidated Financial Statements

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

會計政策及披露事項的變動 (續)

(b) *尚未生效及本集團尚未採納的新訂及經修訂準則 (續)*

本集團已開始評估上述新訂準則、經修訂準則以及現有準則及詮釋的修訂的影響，但未能表明新訂準則、經修訂準則以及現有準則及詮釋的修訂會否對其經營業績及財務狀況產生重大影響。

2.2 合併財務報表

(a) 附屬公司

附屬公司為本集團有權監管其財務及營運政策且一般擁有附過半數表決權的股權的所有實體。於評估本集團是否控制另一實體時，會考慮現時是否存在可予行使或兌換的潛在表決權及其影響。附屬公司自控制權轉讓予本集團之日起全面合併入賬，並自該項控制權終止之日起終止合併入賬。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(a) Subsidiaries (continued)

Apart from the Reorganisation, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statements of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(a) 附屬公司 (續)

除重組外，本集團利用採購會計法就收購附屬公司列賬。收購成本按交易當日所給予資產、所發行股本工具及所產生或承擔負債的公允價值，加上收購直接應佔成本計量。於業務合併所收購可識別資產及所承擔負債與或有負債乃初步按於收購日期的公允價值計量，而不計任何非控股權益。收購成本超出本集團應佔所收購可識別資產淨值公允價值的差額記錄為商譽。倘收購成本少於所收購附屬公司資產淨值的公允價值，有關差額直接於合併全面收益表確認。

公司間的交易、結餘及集團公司交易之間的未變現收益已撇銷。未變現虧損亦已撇銷。

附屬公司的會計政策於有需要時作出更改，以確保與本集團所採納政策貫徹一致。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(b) Special purpose entities

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and special purpose entities (“SPEs”) where the Company is deemed the primary beneficiary. Fujian ShiFang, one of the Company’s wholly owned subsidiaries, entered into contractual agreements with Beijing HongXinTu (the “Structural Agreements”), where Fujian ShiFang provides consulting services to Beijing HongXinTu and is entitled to (1) receive a substantial portion of the economic benefits from Beijing HongXinTu; (2) exercise effective control over Beijing HongXinTu, and (3) have an exclusive option to purchase all or part of the equity interests in Beijing HongXinTu when and to the extent permitted by the PRC laws.

By virtue of the contractual arrangements, Beijing HongXinTu is a SPE and deemed as a subsidiary of the Company under the requirements of Standing Interpretations Committee No.12 (“SIC-12”), “Consolidation – Special Purpose Entities”.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(b) 特殊目的實體

合併財務報表包括本公司、其附屬公司及本公司被視為首要受益人的特殊目的實體（「特殊目的實體」）的財務報表。本公司全資附屬公司福建十方與北京鴻馨圖訂立合約性協議（「架構協議」），據此，福建十方向北京鴻馨圖提供諮詢服務，並有權(1)收取來自北京鴻馨圖的大部分經濟利益；(2)對北京鴻馨圖實施有效控制；及(3)在中國法律允許的情況下，擁有購買北京鴻馨圖全部或部分股權的獨家期權。

根據合約性協議，北京鴻馨圖為一家特殊目的實體，且根據常設解釋委員會第12號（「常設解釋委員會－12」）「合併－特殊目的實體」的規定，北京鴻馨圖被視為本公司的附屬公司。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(b) Special purpose entities (continued)

When assessing whether to combine an SPE, the Group evaluates a range of factors, including whether (1) the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains the benefits from the SPE's operations, (2) the Group has decision-making powers to obtain the majority of the benefits, (3) the Group obtains the majority of the benefits of the activities of the SPE, and (4) the Group retains the majority of the residual ownership risks related to the assets in order to obtain the benefits from its activities. The Group consolidates an SPE if an assessment of the relevant factors indicates that it controls the SPE.

Based on the contractual arrangements, the Company consolidated Beijing HongXinTu's results, assets and liabilities in financial statements of ShiFang Holding Limited.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(b) 特殊目的實體 (續)

當評估一家特殊目的實體是否合併入賬時，本集團會評估多項因素，包括(1)特殊目的實體業務活動是否根據其特殊業務需要代表本集團進行，而本集團因此從特殊目的實體業務中獲利，(2)本集團是否擁有獲得大多數利益的決策權，(3)本集團是否獲得特殊目的實體業務活動的大多數利益，及(4)本集團是否保留大多數與資產有關的餘下擁有權風險以從其業務活動中獲利。倘評估相關因素顯示其控制特殊目的實體，特殊目的實體將於本集團合併入賬。

基於合約性安排，本公司將北京鴻馨圖的業績、資產及負債於十方控股有限公司的財務報表合併入賬。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(c) Business combinations under common control

The consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded have been recognised directly in equity as part of the capital reserve.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(c) 受共同控制的業務合併

合併財務報表包括受共同控制合併的合併實體或業務的財務報表項目，猶如該等項目自合併實體或業務首次受控制方控制當日起經已合併。

合併實體或業務的資產淨值採用控制方所認為的現有賬面值合併。在控制方的權益貢獻範圍內，概無確認商譽或收購方所佔被收購方可識別資產、負債及或然負債公允淨值超出共同控制業務合併成本的差額。收購成本（已付代價的公允價值）與資產及負債列賬數額之間的所有差額直接於權益確認為資本儲備一部分。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(c) Business combinations under common control (continued)

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the financial statements are presented as if the entities or business had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is the later.

Inter-company transactions, balances and unrealised gains on transactions between the combining entities or businesses are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(c) 受共同控制的業務合併 (續)

合併全面收益表包括自最早呈列日期或合併實體或業務首次受共同控制當日以來(以較短者為準,無論是否共同控制合併之日)各合併實體或業務的業績。

財務報表呈列比較金額,猶如實體或業務於所呈列的最早結算日或首次受共同控制當日(以較遲者為準)經已合併。

公司間交易、結餘、合併實體或業務交易之間的未變現收益均會撇銷。未變現虧損亦會撇銷,惟視作所轉讓資產的減值跡象。附屬公司的會計政策已作必要更改,以確保與本集團所採用的會計政策一致。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(d) Transactions with non-controlling interest

The Group treats transactions with non-controlling interest as transactions with equity holders of the Company. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

2.3 Segment reporting

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

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(d) 與非控股權益的交易

本集團將其與非控股權益進行的交易視為與本公司權益持有人進行的交易。對於來自非控股權益的購買，所支付的任何代價與相關應佔所收購附屬公司淨資產賬面值的差額會於權益記錄。向非控股權益的處置所得的盈虧亦記錄在權益中。

2.3 分類報告

經營分類按與向主要營運決策人作內部呈報者一致的方式呈報。主要營運決策人負責分配資源及評核經營分類的表現，被認為負責作出策略決定的董事會（「董事會」）。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements is presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statements of comprehensive income within 'Finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within 'other gains/(losses) – net'.

2 主要會計政策概要 (續)

2.4 外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體財務報表計入的項目，均以該實體經營所在主要經濟環境的通行貨幣（「功能貨幣」）計量。財務報表以人民幣（「人民幣」）呈列，而人民幣為本公司功能貨幣及本集團呈列貨幣。

(b) 交易及結餘

外幣交易均按交易當日或倘有關項目經重計則按估值當日的匯率換算為功能貨幣。因結算該等交易及按年終匯率換算以外幣列值的貨幣資產和負債而產生的外匯收益及虧損均在合併全面收益表確認。

有關借款以及現金及現金等值項目的外匯收益及虧損於合併全面收益表的「融資收益或成本」呈列。所有其他外匯收益及虧損則於合併全面收益表的「其他收益／（虧損）－淨額」呈列。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2 主要會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司

功能貨幣有別於呈列貨幣的所有集團實體(並不涉及嚴重通脹經濟地區的貨幣)的業績及財務狀況,按下述方式換算為呈列貨幣:

- (i) 各資產負債表呈列的資產與負債以該資產負債表結算日的收市匯率換算;
- (ii) 各全面收益表的收入及支出乃按平均匯率換算,惟倘該平均值並非交易日通行匯率累計影響的合理約數,則收入及支出於交易日換算;及
- (iii) 所產生所有匯兌差額均確認為權益的獨立部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated statements of comprehensive income as part of the gain or loss on sale.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is 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 charged to the statement of comprehensive income during the financial period in which they are incurred.

2 主要會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

合併賬目時，換算海外業務淨投資及借款所產生匯兌差額被當作股東權益。處置或售出部分海外業務時，計入權益的匯兌差額於合併全面收益表確認作出售收益或虧損一部分。

2.5 物業、廠房及設備

物業、廠房及設備按過往成本值減累計折舊及累計減值虧損入賬。過往成本包括收購項目直接應佔的開支。

當項目相關的未來經濟利益可能會流入本集團及能可靠計算項目成本時，其後成本方會視適用情況計入資產賬面值或確認為獨立資產。替代部分的賬面值會終止確認。所有其他維修及保養於產生財政期間在全面收益表扣除。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

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

Buildings	40 years
Leasehold improvements	5 years or the remaining term of any non-renewable lease, whichever is shorter
Machinery	5 – 10 years
Fixture, furniture and equipment	5 years
Motor vehicles	5 – 10 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'General and administrative expenses' in the consolidated statement of comprehensive income.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

物業、廠房及設備的折舊以直線法計算，按估計可使用年期將成本分攤至其剩餘價值。有關年期如下：

樓宇	40年
租賃物業裝修	5年或未重續租約的餘下年期 (以較短者為準)
機器	5至10年
裝置、傢俬及設備	5年
車輛	5至10年

資產的剩餘價值及可使用年期在各報告期末進行審閱，及在適當時作出調整。

倘資產的賬面值超過其估計可收回金額，則資產的賬面值即時撇減至其可收回金額(附註2.8)。

出售產生的收益及虧損乃透過比較所得款項與賬面值而釐定，並於合併全面收益表「一般及行政開支」內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

Property that is held for long-term rental yields and is not occupied by the Group is classified as investment property. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs. After initial recognition at cost investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of comprehensive income as part of "other gains/losses, net".

2 主要會計政策概要 (續)

2.6 投資物業

倘物業乃持有作長期租金回報，且並非由本集團佔用，則分類為投資物業。倘符合投資物業的其餘定義，根據經營租賃持有的土地會入賬列為投資物業。在此情況下，有關經營租賃亦按融資租賃的入賬方式入賬。投資物業初步按成本（包括相關交易成本）計量。於初步按成本確認後，投資物業會按公允價值列賬，而公允價值乃指由外聘估值師於各報告日期釐定的公開市值。公允價值以活躍市場價格為依據，並在有需要時就特定資產的性質、地點或狀況差異作出調整。倘無此方面資料，本集團會採用其他估值方法，如參考活躍程度稍遜的市場最近期提供的價格或貼現現金流量預測等。公允價值變動於合併全面收益表入賬列作「其他收益／虧損淨額」的一部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets

Computer software and web site

Costs associated with maintaining computer software program and web site are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique computer software and web site controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software and web site so that it will be available for use;
- Management intends to complete the software and web site, and use or sell it;
- There is an ability to use or sell the software and web site;
- It can be demonstrated how the software and web site will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the computer software and web site are available; and
- The expenditure attributable to the computer software and web site during its development can be reliably measured.

2 主要會計政策概要 (續)

2.7 無形資產

電腦軟件及網站

有關維護電腦軟件程式及網站的成本在產生時確認為費用。直接歸屬於設計及測試由本集團控制的可辨認及獨特電腦軟件及網站的開發成本，會於符合以下準則時確認為無形資產：

- 於完成軟件及網站以使其能使用方面在技術上是可行；
- 管理層有完成該軟件及網站並使用或將其出售的意圖；
- 有使用或出售軟件及網站的能力；
- 能顯示該軟件及網站能產生可能未來經濟利益；
- 有足夠的技術、財務及其他資源完成開發項目以及使用或出售電腦軟件及網站；及
- 能可靠計量歸屬於電腦軟件及網站開發階段的支出。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

Computer software and web site (continued)

Directly attributable costs that are capitalised as part of the software and web site cost include the development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software and web sites are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of the computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software and web site costs recognised as assets are amortised over their estimated useful lives, which are between 3 and 10 years.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

2 主要會計政策概要 (續)

2.7 無形資產 (續)

電腦軟件及網站 (續)

資本化為軟件及網站成本一部分的直接應佔成本包括開發僱員成本。

其他不符合該等準則的開發支出於產生時確認為費用。先前確認為費用的開發成本不會在後續期間確認為資產。

所收購電腦軟件及網站初步按成本 (包括採購價 (扣除任何折扣及回扣) 及為準備資產作既定用途的其他直接應佔成本) 撥充資本。直接開支包括僱員成本 (將電腦軟件的性提升或延展至超越其原有技術規格範圍的開支, 且能可靠計量), 並加入到該軟件的原有成本中。有關維護電腦軟件的成本於產生時確認為開支。

確認為資產的電腦軟件及網站成本於其估計可使用年期 (介乎3至10年) 攤銷。

已資本化無形資產的其後開支僅於與其相關的特定資產中體現的未來經濟利益增加時撥充資本。所有其他開支均於產生時支銷。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets

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

2.9 Assets held for sale

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2 主要會計政策概要 (續)

2.8 非金融資產減值

須攤銷的資產會於出現顯示賬面值可能無法收回的事件或情況轉變時檢討有否減值。當資產賬面值高於可收回金額時，會將差額確認為減值虧損。可收回金額即資產公允價值扣除銷售成本後的數額及使用價值兩者的較高者。為評估減值，資產按獨立可識別現金流量的最低級別（現金產生單位）分類。商譽以外的非金融資產若出現減值，則須於各報告日期評估能否撥回減值。

2.9 持作出售的資產

當資產的賬面值將主要透過一項出售交易收回而該項出售被視為極可能，則分類為持作出售的資產。如該等資產的賬面值將主要透過一項出售交易而非持續使用而收回，則該等資產按賬面值與公允價值減去銷售成本後的數額兩者的較低者列賬。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.13 and 2.14).

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.11 Impairment of financial assets

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

2 主要會計政策概要 (續)

2.10 金融資產

貸款及應收款項

貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項包括在流動資產內，但到期日由報告期末起計超過十二個月者，則歸類為非流動資產。本集團的貸款及應收款項包括資產負債表內的「貿易及其他應收款項」及「現金及現金等值項目」（附註2.13及2.14）。

定期買賣金融資產於交易日確認，即本集團承諾購買或出售資產當日。所有未按公允價值計入損益列賬的金融資產投資初步按公允價值加交易成本確認。貸款及應收款項隨後採用實際利率法按攤銷成本入賬。

2.11 金融資產減值

本集團於各報告期末評估是否有客觀證據表明一項或一組金融資產出現減值。僅於有客觀證據顯示因資產在初步確認後發生一項或多項事件（「虧損事件」）而出現減值，並能夠可靠估計虧損事件對一項或一組金融資產估計未來現金流量構成的影響時，該項或該組金融資產方會減值並產生減值虧損。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

本集團用以釐定是否有客觀證據顯示出現減值虧損的準則包括：

- 發行人或債務人有重大財務困難；
- 違反合約，如拖欠或欠繳利息或本金款項；
- 因與借款人的財政困難相關的經濟或法律原因，本集團給予借款人在一般情況下貸款人不會考慮的優惠條件；
- 借款人有可能破產或進行其他財務重組；
- 財政困難導致該金融資產的活躍市場消失；或

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

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

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

- 顯示金融資產組合所產生估計未來現金流量自該等資產獲初步確認起有可量度減幅(即使未能確認有關減幅與組合內個別金融資產有關)的可觀察數據包括:
 - (i) 組合內借款人的還款狀況有不利轉變;及
 - (ii) 與組合資產逾期還款相關的全國或地區經濟狀況。

本集團首先評估是否存在減值的客觀證據。

虧損金額按資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值(不包括尚未產生的未來信貸虧損)之間的差額計量。資產賬面值會予以削減,而虧損金額會於全面收益表確認。倘貸款按浮動利率計息,則計量任何減值虧損的貼現率為根據合約釐定的當前實際利率。在實際運作上,本集團可能以可觀察市價釐定的工具公允價值為基準計量減值。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

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

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises newsprint paper and printing consumables. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

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

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

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

倘減值虧損金額在往後期間減少，減幅亦可與確認減值後發生的事件客觀關連（例如債務人信貸評級改善），則於全面收益表確認過往確認的減值虧損撥回。

2.12 存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本按加權平均法釐定。製成品的成本包括新聞紙及印刷耗材。可變現淨值指日常業務過程中的估計售價減適用可變銷售開支。

2.13 貿易及其他應收款項

貿易及其他應收款項為在日常業務過程中就已售商品或已提供服務應收客戶的款項。倘貿易及其他應收款項預期可於一年或以內收回（或倘時間更長，則在業務的正常營運週期），則分類為流動資產，否則以非流動資產呈列。

貿易及其他應收款項初步按公允價值確認，其後採用實際利率法按攤銷成本並扣除減值撥備計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2.15 Share capital

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

2.16 Trade payables

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

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

2 主要會計政策概要 (續)

2.14 現金及現金等值項目

現金及現金等值項目包括手頭現金及原定於三個月或以內到期的銀行活期存款。

2.15 股本

普通股分類為權益。直接歸屬於發行新股或購股權的新增成本在權益中列為所得款項的減少(扣除稅項)。

2.16 貿易應付款項

貿易應付款項為在日常業務過程中自供應商取得貨品或服務的付款責任。倘應付款項可於一年或以內(或倘時間更長,則在業務正常營運週期)到期,則分類為流動負債,否則以非流動負債呈列。

應付款項初步按公允價值確認,隨後採用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Current and deferred income tax

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

2 主要會計政策概要 (續)

2.17 借款

借款初步按公允價值扣除所產生交易成本確認。借款其後按攤銷成本列賬，所得款項（經扣除交易成本）與贖回價值間任何差額於借款期間使用實際利率法在全面收益表確認。

除非本集團有無條件權利將其負債清償日期遞延至報告期末後最少12個月，否則借款會分類為流動負債。

2.18 即期及遞延所得稅

期內稅款開支包括即期及遞延稅款。稅款乃在全面收益表中確認，惟以稅額有關於其他全面收益內確認的項目或直接於權益內確認的項目為限。在此情況下，有關稅額亦分別會於其他全面收益內或直接於權益內確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

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

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

2 主要會計政策概要 (續)

2.18 即期及遞延所得稅 (續)

即期所得稅支出乃按照本公司及其附屬公司經營及產生應課稅收入的國家內已頒佈或於結算日已大致頒佈的稅法計算。管理層定期就適用稅務條例出現須待詮釋的情況評估其採取的報稅立場。管理層會基於預期將向稅務機關支付的金額於適當時作出撥備。

遞延所得稅乃以負債方法按照資產負債的稅基之間以及於合併財務報表內兩者賬面值所產生的暫時差額確認。然而，如果遞延所得稅乃因一宗交易（而非業務合併）中的資產或負債經初步確認而產生（而該項交易當時並無對會計或應課稅溢利或虧損構成影響），則不會將遞延所得稅入賬。遞延所得稅乃以已頒佈或於結算日已大致頒佈的稅率（及稅法）確定，並預期會於有關遞延所得稅資產變現時或於遞延所得稅負債清償時應用。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2 主要會計政策概要 (續)

2.18 即期及遞延所得稅 (續)

遞延所得稅資產僅於未來應課稅溢利將可能被暫時差額用作抵銷時確認。

遞延所得稅乃根據於附屬公司及聯營公司的投資所產生的暫時差額作撥備，惟倘撥回暫時差額的時間由本集團控制，並於可見將來不大可能撥回暫時差額則另作別論。

當享有可依法執行的權利以即期稅項資產抵銷即期稅項負債，以及當遞延所得稅資產及負債乃關於同一稅務機關對有意按淨額基準結清即期所得稅資產及負債結餘的應課稅實體或不同應課稅實體所徵收的所得稅，遞延所得稅資產及負債互相抵銷。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits

(a) Pension obligations

Full time employees of the PRC entities participate in a government mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require the Company to accrue for these benefits based on certain percentages of the employees' salaries. Management believes full time employees who have passed the probation period are entitled to such benefits.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策概要 (續)

2.19 僱員福利

(a) 退休金責任

中國實體的全職僱員參與政府強制性多邊僱主界定供款計劃，據此，僱員享有若干退休金福利、醫療福利、失業保險、僱員住房津貼及其他福利。中國勞工法規規定根據僱員薪金的若干比例計付該等福利。管理層認為，通過試用期的全職僱員有權享有該等福利。

支付供款後，本集團並無其他付款責任。供款在到期時確認為僱員福利開支，並按在完全歸屬前離開計劃的僱員沒收的供款扣除。預付供款確認為資產，以可獲得現金退款或可從未來付款中扣除者為限。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(b) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Bonus plans

The Group recognises a liability and an expense for bonuses, based on performance and takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Equity-based compensation

The Group operates employee share option scheme, under which the entity receives the services from eligible participants as consideration for options to acquire ordinary shares of the Company.

2 主要會計政策概要 (續)

2.19 僱員福利 (續)

(b) 僱員有薪假期

僱員可享有的年假乃於僱員可享有假期時確認，並就僱員於截至報告日期為止提供服務而可享有的年假及長期服務付款的估計負債作出撥備。僱員可享有的病假及產假於放假時方予確認。

(c) 花紅計劃

本集團根據業績並計及本公司股東應佔溢利在作出若干調整後就花紅確認負債及開支。倘持續承擔責任或過往慣例造成推定責任，本集團會確認撥備。

(d) 以股權為基礎的薪酬

本集團營辦僱員購股權計劃，據此，實體向合資格參與人士收取服務作為可購入本公司普通股的購股權的代價。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(d) Equity-based compensation (continued)

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive income, with a corresponding adjustment to equity.

2 主要會計政策概要 (續)

2.19 僱員福利 (續)

(d) 以股權為基礎的薪酬 (續)

以授出購股權換取的僱員服務的公允價值乃確認為開支。將予支銷的總金額乃參照已授出購股權公允價值釐定：

- 包括任何市場表現狀況；
- 不包括任何服務及非市場表現歸屬條件之影響（例如於特定期間之溢利能力、銷售增長目標及繼續為有關實體之僱員）；及
- 不包括非歸屬條件（如挽留僱員之規定）。

非市場歸屬條件包括在有關預期歸屬的購股權數目的假設中。總開支於歸屬期間確認，而所有特定歸屬條件於該期間內達成。於各報告期末，本集團修訂其對預期根據非市場歸屬條件歸屬的購股權數目的估計。本集團在合併全面收益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(d) Equity-based compensation (continued)

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

2.20 Provisions

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

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

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

2 主要會計政策概要 (續)

2.19 僱員福利 (續)

(d) 以股權為基礎的薪酬 (續)

認購於購股權獲行使時發行股份的現金已計入股本(面值)及股份溢價,並扣除任何直接應佔交易成本。

2.20 撥備

當本集團因已過去事件而須承擔現有法律或推定責任,而履行該責任很有可能導致資源流出,且能夠可靠地估計金額的情況下,便會確認撥備。本集團不會就日後經營虧損確認撥備。

倘出現多項類似責任,履行責任時導致資源流出的可能性乃考慮責任整體類別釐定。即使同類責任中任何一項可能導致資源流出的機會不大,仍會確認撥備。

撥備乃按採用稅前貼現率計算預期須就履行責任支付開支的現值計量,有關稅率反映市場當時對貨幣時間價值的評估及該責任的特定風險。因時間流逝而產生的撥備增加確認為利息開支。

Notes to the Consolidated Financial Statements 合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

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

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

(a) Publishing and advertising

The Group's role in the provision of services on publishing and advertising is that of a principal. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Hence, revenue from publishing and advertising services is recognised on a gross basis when services are rendered for the creation, production and placement of advertising materials through all media.

2 主要會計政策概要 (續)

2.21 收入確認

收入包括於本集團日常業務過程中銷售貨物及服務的已收或應收代價公允價值，於扣除增值稅、退貨、回扣及折扣以及沖銷本集團內部銷售後呈列。

當收入的金額能夠可靠計量，而未來經濟利益有可能流入實體，且本集團每項活動均符合下文所述的具體條件時，本集團將確認收入。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 出版及廣告

本集團在提供出版及廣告服務方面的身份極為重要。在釐定收入或收入成本的最佳呈列基準時，本集團會審閱其與業務夥伴所訂立協議的法律形式及內容，以釐定各方在交易中的身份。

因此，來自出版及廣告服務的收入於在所有媒體創設、製作及投放廣告材料提供服務時按總額基準確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

(b) Barter transaction

When services are exchanged or swapped for services which are of a similar nature and value, the exchange is not regarded as a revenue generating transaction.

When services are rendered in exchange for dissimilar services, the exchange is regarded as a revenue generating transaction. The revenue is measured at the fair value of the services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the services received cannot be measured reliably, the revenue is measured at the fair value of the services provided in a barter transaction, by reference to non-barter transaction involving similar services, adjusted by the amount of any cash or cash equivalents transferred.

(c) Online Services

Revenue from online services is recognised when the services, including electronic publications, online advertisements and website maintenance and technical services, are rendered. Revenue from online services provided over fixed periods is recognised on straight-line basis over the respective period.

2 主要會計政策概要 (續)

2.21 收入確認 (續)

(b) 易貨交易

服務用於交換或換取類似性質及價值的服務時，交換不會被視為產生收入的交易。

提供服務交換不同服務時，交換被視為產生收入的交易。收入按對所收取服務的公允價值計量，並就轉讓的現金或現金等值項目的金額作出調整。當所獲服務的公允價值無法可靠計量時，收入參考涉及類似服務的非易貨交易，按易貨交易中提供的服務的公允價值計量，並就轉讓的現金或現金等值項目的金額作出調整。

(c) 網絡服務

網絡服務收入於提供服務（包括電子出版、網絡廣告及網站保養及技術服務）時確認。於固定期間提供的網絡服務收入於各自期間按直線基準確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

(d) Distribution management, consulting and printing services

Revenue from distribution management and printing services is recognised as the services are delivered to the customers.

(e) Government grants

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

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

(f) Rental income

Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

2 主要會計政策概要 (續)

2.21 收入確認 (續)

(d) 分銷管理、諮詢及印刷服務

分銷管理及印刷服務收入於服務交付予客戶時獲確認。

(e) 政府補助

倘能合理保證將取得政府補助及本集團將符合所有附帶條件，則該等補助將按公允價值確認。

應收政府補助於必要期間有系統地確認為收入，以與其擬補償的相關費用相符。與開支相關的政府補助作為其他收入個別呈列。

(f) 租金收入

投資物業的租金收入於租期內按直線基準在全面收益表確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Leases

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

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

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

2 主要會計政策概要 (續)

2.22 租賃

如租賃擁有權的絕大部分風險和報酬由出租方保留，則租賃列為經營租賃。根據經營租賃支付的款項在扣除自出租方收取的任何獎勵金後，於租期內以直線法自全面收益表扣除。

本集團租賃若干物業、廠房及設備。本集團擁有所有權的絕大部分風險和報酬的物業、廠房及設備租賃列為融資租賃。融資租賃在租賃開始時按租賃物業的公允價值及最低租金的現值兩者的較低者資本化。

每期租金在負債及財務費用之間分攤，使財務費用佔融資結欠額的常數比率。相應租賃責任在扣除財務費用後計入其他長期應付款項內。融資成本的利息部分於租期內自全面收益表扣除，使融資成本佔每個期間的負債餘額的常數定期利率。根據融資租賃購入的物業、廠房及設備按資產的可使用年期及租期兩者的較短者計算折舊。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders and directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used any derivative financial instruments to hedge its risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group operates principally in the PRC. Majority of recognised assets and liabilities are denominated in RMB and majority of transactions are settled in RMB. The Group does not hold or issue any derivative financial instruments to manage its exposure to foreign currency risk.

2 主要會計政策概要 (續)

2.23 股息分派

向本公司股東分派的股息在股息獲本公司股東及董事(如適用)批准的期間內於本集團及本公司的財務報表內確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團的業務承受多項財務風險：市場風險(包括貨幣風險、公允價值利率風險、現金流量利率風險及價格風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測事項，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團並無採用任何衍生金融工具對沖其所面對的風險。

(a) 市場風險

(i) 外匯風險

本集團主要在中國經營業務。已確認的大部分資產及負債均以人民幣列值，且大部分交易均以人民幣結算。本集團並無持有或發行任何衍生金融工具，以管理其所面對的外幣風險。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) *Foreign exchange risk (continued)*

As at December 31, 2010, the Group has cash deposit denominated in US dollar and HK dollar. If RMB had weakened/strengthened by 2% against USD with all other variables held constant, pre-tax results for the year ended December 31, 2010 would have been approximately RMB 1,081,000 (2009: RMB 8,000) higher/lower, mainly as a result of foreign exchange differences and translation of the US dollar denominated cash deposit. If RMB had weakened/strengthened by 2% against HKD with all other variables held constant, pre-tax results for the year ended December 31, 2010 would have been approximately RMB 8,906,000 (2009: RMB 16,000) higher/lower, mainly as a result of foreign exchange differences and translation of the HK dollar denominated cash deposit.

(ii) *Price risk*

The Group is not exposed to any equity securities price risk or commodity price risk.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) *外匯風險 (續)*

截至二零一零年十二月三十一日，本集團擁有以美元及港元計值的現金存款。在所有其他變數維持不變的情況下，倘人民幣兌美元貶值／升值2%，截至二零一零年十二月三十一日止年度的稅前業績會上升／下降約人民幣1,081,000元（二零零九年：人民幣8,000元），此乃主要由於外匯差額及換算以美元計值的現金存款所致。在所有其他變數維持不變的情況下，倘人民幣兌港元貶值／升值2%，截至二零一零年十二月三十一日止年度的稅前業績會上升／下降約人民幣8,906,000元（二零零九年：人民幣16,000元），此乃主要由於外匯差額及換算以港元計值的現金存款所致。

(ii) *價格風險*

本集團並無面對任何股本證券價格風險或商品價格風險。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises mainly from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

During the year, the Group had the following types of borrowings:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Fixed rate:	固定利率：		
Short-term bank loans, secured	短期銀行貸款，已抵押	-	4,000
Other loan	其他貸款	-	2,740
Amounts due to related parties (Note 32 (c))	應付關連人士款項 (附註32(c))	<u>157</u>	<u>36,847</u>
		<u>157</u>	<u>43,587</u>
Variable rate:	浮動利率：		
Short-term bank loans, secured	短期銀行貸款，已抵押	50,000	40,520
Other loan	其他貸款	<u>4,607</u>	-
		<u>54,607</u>	<u>40,520</u>

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公允價值 利率風險

本集團的利率風險主要來自銀行借款。以浮動利率發出的借款令本集團面對現金流量利率風險，該風險主要由以浮動利率持有的現金相抵銷。以固定利率發出的借款令本集團面對公允價值利率風險。

年內，本集團擁有以下借款類別：

Notes to the Consolidated Financial Statements 合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The sensitivity analysis below has been determined based on the exposure to interest rate risk on its variable rate bank deposits and borrowings at the balance sheet date and prepared assuming the amount of bank deposits and borrowings outstanding at each balance sheet date was outstanding for the whole year.

At December 31, 2010, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's post-tax profit for the year ended December 31, 2010, would have been RMB546,000 lower/higher (2009: RMB405,000 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公允價值 利率風險 (續)

下列敏感度分析乃根據於結算日浮息銀行存款及借款的利率風險釐定，並假設於各結算日銀行存款金額及未償還借款金額於全年內為未償還而編製。

於二零一零年十二月三十一日，倘利率上升／下降100個基點，而所有其他變數維持不變，本集團截至二零一零年十二月三十一日止年度的稅後溢利將減少／增加人民幣546,000元（二零零九年：人民幣405,000元），主要是由於浮息借款的利息開支增加／減少所致。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is managed on group basis. Credit risk primarily arises from trade receivables, deposits and other receivables, amounts due from immediate holding company and related parties and cash and cash equivalents including pledged bank deposits included in the consolidated balance sheets and represents the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. In addition, the directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

Amounts due from immediate holding company and related parties are continuously monitored by assessed the credit quality of counterparty, taking into account its financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at December 31, 2010, the amount due from immediate holding company and related parties are fully performing.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險按組別管理。信貸風險主要由貿易應收款項、按金及其他應收款項、應收直接控股公司及關連人士款項以及現金及現金等值項目(包括計入合併資產負債表的已抵押銀行存款)產生,為本集團有關金融資產的最高信貸風險。

本集團的信貸風險主要來自貿易應收款項。本集團制定政策確保銷售乃向擁有適當信貸記錄的客戶作出。此外,董事定期檢討各個別貿易債項的可收回金額,確保就無法收回的債務確認足夠的減值虧損。

應收直接控股公司及關連人士款項通過評估交易對手的信貸質素,並計及其財務狀況、過往經驗及其他因素而持續監控。如屬必要,則就估計不可收回款項作出減值虧損。於二零一零年十二月三十一日,應收直接控股公司及關連人士款項全額履行。

Notes to the Consolidated Financial Statements 合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Trade receivables from the Group's five largest customers in aggregate to the Group's total trade receivables are 30.6% at December 31, 2010 (2009:38.3%).

The credit risk on liquid funds is limited because cash and bank and restricted cash are placed with reputable financial institutions which management believes are of sound credit quality and without significant credit risk.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements for maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

於二零一零年十二月三十一日，應收本集團五大客戶的貿易款項合共佔本集團貿易應收款項總額的30.6% (二零零九年：38.3%)。

流動資金的信貸風險有限，原因是現金、銀行及受限制現金存放於信譽良好的金融機構，管理層認為有關金融機構的信貸質素可靠，並無重大信貸風險。

(c) 流動資金風險

本集團的政策是定期監察即期及預期流動資金需求，維持充足的現金，透過足夠的承諾信貸資金融資，滿足短期及長期的流動資金需求。

下表乃根據由結算日至合約到期日止剩餘期間，將本集團的金融負債劃分為不同賬齡組別的分析。表格中披露的金額為合約未貼現現金流。於12個月內到期的結餘等於其賬面結餘，原因是貼現的影響不大。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Group 本集團		Less than 1 year 1年以內 RMB'000 人民幣千元
<hr/>		
At December 31, 2010	於二零一零年十二月三十一日	
Trade and other payables	貿易及其他應付款項	105,706
Borrowings	借款	57,549
Amounts due to directors	應付董事款項	1,973
Amount due to immediate holding company	應付直接控股公司款項	1,731
Amounts due to related parties	應付關連人士款項	1,439
		<hr/> 168,398 <hr/>
<hr/>		
At December 31, 2009	於二零零九年十二月三十一日	
Trade and other payables	貿易及其他應付款項	41,048
Borrowings	借款	48,534
Amounts due to directors	應付董事款項	1,374
Amounts due to related parties	應付關連人士款項	60,942
		<hr/> 151,898 <hr/>
<hr/>		
Company 本公司		Less than 1 year 1年以內 RMB'000 人民幣千元
<hr/>		
At December 31, 2010	於二零一零年十二月三十一日	
Other payables	其他應付款項	26,672
Amounts due to subsidiaries	應付附屬公司款項	80,191
		<hr/> 106,863 <hr/>

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

Notes to the Consolidated Financial Statements 合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(d) Fair value estimation

The carrying amounts of the Group's financial assets and financial liabilities including cash and cash equivalents, trade and other receivables, amounts due from immediate holding company and related parties, trade and other payables, borrowings and amounts due to immediate holding company and related parties approximate their respective fair values.

3.2 Capital risk management

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

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

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 公允價值估計

本集團的金融資產及金融負債 (包括現金及現金等值項目、貿易及其他應收款項、應收直接控股公司及關連人士款項、貿易及其他應付款項、借款及應付直接控股公司及關連人士款項) 的賬面值與其公允價值相若。

3.2 資本風險管理

在資本管理上，本集團的目標為保障本集團以持續經營基準繼續營運的能力，務求為股東提供回報及為其他相關權益人士帶來利益，以及維持最有效的資本結構以減省資金成本。

為調整資本架構，本集團或會調整派發予股東的股息額、發行新股份或出售資產，以削減債項。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets, as shown in the consolidated balance sheets. During the year, the Group's strategy was to maintain a gearing ratio below 40%. The gearing ratios as at December 31, 2010 and 2009 were as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Borrowings	借款	54,607	47,260
Amounts due to related parties	應付關連人士款項	157	36,847
Total borrowings	借款總額	<u>54,764</u>	<u>84,107</u>
Total assets	總資產	<u>1,285,003</u>	<u>499,588</u>
Gearing ratio	資產負債率	<u>4%</u>	<u>17%</u>

3 財務風險管理 (續)

3.2 資本風險管理 (續)

本集團根據資產負債率監察資本。該比率按合併資產負債表所示的借款總額除以總資產計算。本集團於年內的策略是將資產負債率維持在40%以下。於二零一零年及二零零九年十二月三十一日的資產負債率如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(a) Revenue recognition for barter transactions

When services are rendered in exchange for dissimilar goods or services, such as when the Group receives the rights to sell or receive the proceeds of a sale of real estate properties in exchange for advertising services the Group provide to certain of our real estate industry customers, the exchange is regarded as a revenue-generating transaction. The revenue from such barter transactions is measured at the fair value of the related real estate properties received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the rights to the real estate properties received cannot be measured reliably, the revenue is measured at the fair value of the goods or services provided in the barter transactions, by reference to non-barter transaction involving similar goods or services, adjusted by the amount of any cash or cash equivalents transferred.

4 關鍵會計估計及假設

本集團持續根據過往經驗及其他因素（包括相信日後將在若干情況下發生若干事件的合理期望）衡量估計及假設。

本集團對未來作出估算及假設。顧名思義，會計估算甚少等同相關實際情況。下文指出具有重大風險導致須就下個財政年度的資產和負債賬面值作出重大調整的估計和假設。

(a) 易貨交易的收益確認

提供服務交換不同貨品或服務時（如本集團獲得銷售房地產物業或收取出售房地產物業的所得款項的權利，交換本集團向若干房地產行業客戶提供廣告服務時），交換被視為產生收益的交易。有關易貨交易的收益按所收取的相關房地產物業的公允價值計量，並就轉讓的現金或現金等值項目的金額作出調整。所收取的房地產物業的權利的公允價值無法可靠計量時，收益參考涉及類似貨品或服務的非易貨交易，按易貨交易中提供的貨品或服務的公允價值計量，並就轉讓的現金或現金等值項目的金額作出調整。

Notes to the Consolidated Financial Statements 合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(a) Revenue recognition for barter transactions (continued)

As at December 31, 2010, the Group has these assets held for sale in the PRC of RMB29,848,000 (2009: RMB22,885,000), respectively, and these were included in 'assets held for sale' on the consolidated balance sheet. Should the fair value of the real estate properties increase/fall by 10%, the Group's post-tax profit would have been RMB2,594,000 higher/lower, for the year ended December 31, 2010 (2009: RMB1,948,000 higher/lower).

(b) Allowance for doubtful accounts

The Group makes allowance for doubtful accounts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the actual result is different from the original estimate, such a difference will impact the carrying value of the trade and other receivables and bad and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Details of allowance for doubtful accounts is described in Note 10.

4 關鍵會計估計及假設 (續)

(a) 易貨交易的收益確認 (續)

於二零一零年十二月三十一日，本集團該等於中國持作銷售資產為人民幣29,848,000元（二零零九年：人民幣22,885,000元），計入合併資產負債表內的「持作銷售的資產」。倘有關房地產物業的公允價值增加／下降10%，截至二零一零年十二月三十一日止年度本集團的除稅後溢利將分別增加／下降人民幣2,594,000元（二零零九年：增加／下降人民幣1,948,000元）。

(b) 呆賬撥備

本集團根據對貿易及其他應收款項的可收回性（包括各債務人當前的信譽及過往還款記錄）的評估作出呆賬撥備。倘出現事件或變動表明餘款可能無法收回，則會出現減值。識別呆壞賬需要作出判斷及估計。倘實際結果不同於原估計，差額會影響估計變動的年度的貿易及其他應收款項的賬面值以及呆壞賬開支。倘債務人的財務狀況惡化，導致其還款能力受到影響，則可能須作出額外撥備。呆賬撥備詳情載於附註10。

Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(c) Income taxes

The Group is principally subject to income taxes in the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax provision and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Impairment of assets

The Group follows the guidance of IAS 36 "Impairment of Assets" to determine when assets are impaired, which requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of assets is less than their carrying balance, including factors such as the industry performance and changes in operational and financing cash flows. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (a CGU). The recoverable amount of the CGU has been determined based on value-in-use calculations. These calculations require the use of estimates, including operating results, income and expenses of the business, future economic conditions on growth rates and future returns.

4 關鍵會計估計及假設 (續)

(c) 所得稅

本集團主要須在中國繳納所得稅。釐定所得稅撥備須作出重大判斷。眾多交易及計算的最終稅務釐定難在日常業務過程中確定。倘有關事項最終的稅務結果與最初所入賬的金額不同，則該等差額會影響作出釐定期間的即期所得稅撥備以及遞延所得稅資產及負債。

(d) 資產減值

本集團遵從國際會計準則第36號「資產減值」的指引，以釐定資產減值（須作出重大判斷）。在作出此項判斷時，本集團評估（其中包括）資產的可收回金額少於彼等的賬面餘額的持續期間及程度，包括行業表現以及營運及融資現金流量變動等因素。就評估減值而言，資產按可獨立識別現金流量的最低水平分組（現金產生單位）。現金產生單位的可收回金額乃根據使用價值計算釐定。該等計算須使用估計，包括經營業績、業務的收入及開支、增長率等未來經濟狀況及未來回報。

Notes to the Consolidated Financial Statements 合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(d) Impairment of assets (continued)

Changes in the key assumptions on which the recoverable amount of the assets is based could significantly affect the Group's financial condition and results of operations.

(e) Estimated fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent and professionally qualified valuer.

In determining the fair value, the valuer has based on property valuation techniques which involve, inter alia, certain estimates including comparable sales in the relevant market, current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market condition.

(f) Engaging in the business of internet publication

The Group is providing the electronic dissemination services through its online website www.duk.cn. However, according to the Interim Provisions for the Administration of Internet Publication (the "Interim Provisions"), which was jointly promulgated by the Ministry of Industry and Information Technology and General Administration of Press and Publication of the PRC ("GAPP") on June 27, 2002, a company may not engage in the business of internet publication without obtaining an internet publication license.

4 關鍵會計估計及假設 (續)

(d) 資產減值 (續)

資產可收回金額所依據的主要假設的變動可能對本集團的財務狀況及營運業績產生重大影響。

(e) 投資物業估計公允價值

投資物業根據獨立專業合資格估值師進行的估值按公允價值列賬。

於釐定公允價值時，估值師依據物業估值方法，當中涉及（其中包括）若干估計，包括相關市場內的可資比較銷售、同區同狀況類似物業的當前市值租金、適當的折現率及預計未來市值租金。依賴估值報告的同時，管理層已運用其判斷，並信納估值方法能反映當前市況。

(f) 從事互聯網出版業務

本集團透過其網站 www.duk.cn 提供電子分發服務。然而，根據中華人民共和國工業和信息化部與新聞出版總署（「新聞出版總署」）於二零零二年六月二十七日聯合公佈的互聯網出版管理暫行規定（「暫行規定」），公司在未取得互聯網出版許可證的情況下，不得從事互聯網出版業務。

Notes to the Consolidated Financial Statements 合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(f) Engaging in the business of internet publication (continued)

In April 2010, the Group applied to GAPP for the license pursuant to the Interim Provisions to provide electronic dissemination services to newspapers, magazines and other publishers through the Group's online website www.duk.cn and has obtained the internet publication license as requested by the Interim Provisions on December 15, 2010. The Group has been providing the above electronic dissemination services prior to the Group's obtaining the license, as such the Group would face the risk of penalties and sanctions, including confiscation of publication equipment and any relevant illegal profit, being ordered to cease operations and a fine of an amount up to ten times of the Group's relevant income generated from such business. As advised by the Company's PRC legal advisor, the Group's risk of being subject to such penalties is minimal. As at December 31, 2010, the Group had not been subject to any of such penalties imposed by the relevant authorities.

5 REVENUES

Revenues from external customers are derived from the provision of newspaper advertising services to advertisers in the PRC, online services, including electronic dissemination of publication and provision of online system development services to newspaper publishers, and the provision of distribution management, consulting, printing services, television and radio advertising, outdoor advertising services and activities. The amount of the Group's five largest customers in aggregate to the Group's total sales are RMB 70,569,000 at December 31, 2010 (2009: RMB 68,330,000).

4 關鍵會計估計及假設 (續)

(f) 從事互聯網出版業務 (續)

於二零一零年四月，本集團已根據暫行規定向新聞出版總署申請透過本集團網址www.duk.cn向報紙、雜誌及其他出版商提供電子分發服務的許可證，並已於二零一零年十二月十五日取得暫行規定要求的互聯網出版許可證。本集團於取得許可證前一直提供上述電子分發服務，故本集團或面對遭受處罰及制裁的風險，包括沒收出版設備及任何相關非法獲取溢利、被責令終止經營及被處以本集團有關業務所得相關收入金額十倍或以下罰款。據本公司的中國法律顧問所告知，本集團遭受有關處罰的風險甚微。截至二零一零年十二月三十一日，本集團從未遭受有關部門的任何處罰。

5 收益

來自外部客戶的收益源於向中國廣告客戶提供報紙廣告服務、網絡服務（包括出版物的電子分發及向報紙出版商提供網上系統開發服務），以及提供發行管理、諮詢、印刷服務、電視及電台廣告服務、戶外廣告服務及活動。於二零一零年十二月三十一日，本集團五大客戶佔本集團總銷售額的總金額為人民幣70,569,000元（二零零九年：人民幣68,330,000元）。

Notes to the Consolidated Financial Statements

合併財務報表附註

5 REVENUES (continued)

Analysis of the revenues by category is as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Newspaper advertising	報紙廣告	408,654	371,772
Online services	網絡服務	65,310	47,061
Distribution management, consulting and printing services	發行管理、諮詢及印刷服務	41,538	44,134
Television and radio advertising	電視及電台廣告	14,438	-
		529,940	462,967

6 SEGMENT INFORMATION

The Board of Directors has been identified as the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors assesses the performance of the Group's publishing and advertising businesses from both geographic and product perspectives. Geographically, management considers the Group's publishing and advertising businesses are primarily operated in the PRC. All of the Group's publishing and advertising businesses activities are included in a single reportable segment in accordance with IFRS 8 "Operating segments". As such, no segment information is presented.

5 收益 (續)

按類別劃分的收益的分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Newspaper advertising	報紙廣告	408,654	371,772
Online services	網絡服務	65,310	47,061
Distribution management, consulting and printing services	發行管理、諮詢及印刷服務	41,538	44,134
Television and radio advertising	電視及電台廣告	14,438	-
		529,940	462,967

6 分類資料

董事會被認定為主要營運決策人。管理層根據董事會作出策略決定時審閱的報告釐定經營分類。

董事會從地域及產品角度評估本集團出版及廣告業務表現。地域方面，管理層認為本集團的出版及廣告業務主要在中國經營。本集團所有出版及廣告業務活動均按照國際財務報告準則第8號「經營分類」計入單獨須呈報分類。因此，並無呈列分類資料。

Notes to the Consolidated Financial Statements 合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP 7 物業、廠房及設備 – 本集團

		Buildings	Leasehold improve- ments	Machinery	Fixture, furniture and equipment 裝置、傢俬及 設備	Motor vehicles	Total
		樓宇 RMB'000 人民幣千元	租賃物業裝修 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At January 1, 2009	於二零零九年一月一日						
Cost	成本	2,822	1,338	35,447	5,350	4,827	49,784
Accumulated depreciation	累計折舊	(142)	(895)	(7,970)	(1,985)	(903)	(11,895)
Net carrying amount	賬面淨額	<u>2,680</u>	<u>443</u>	<u>27,477</u>	<u>3,365</u>	<u>3,924</u>	<u>37,889</u>
Year ended December 31, 2009	截至二零零九年十二月三十一日 止年度						
Opening net carrying amount	年初賬面淨額	2,680	443	27,477	3,365	3,924	37,889
Additions	添置	–	48	–	693	1,232	1,973
Disposals	出售	–	–	–	(20)	–	(20)
Depreciation (Note 24)	折舊(附註24)	(67)	(167)	(3,414)	(1,050)	(594)	(5,292)
Closing net carrying amount	年末賬面淨額	<u>2,613</u>	<u>324</u>	<u>24,063</u>	<u>2,988</u>	<u>4,562</u>	<u>34,550</u>
At December 31, 2009	於二零零九年十二月三十一日						
Cost	成本	2,822	1,386	35,447	6,023	6,059	51,737
Accumulated depreciation	累計折舊	(209)	(1,062)	(11,384)	(3,035)	(1,497)	(17,187)
Net carrying amount	賬面淨額	<u>2,613</u>	<u>324</u>	<u>24,063</u>	<u>2,988</u>	<u>4,562</u>	<u>34,550</u>
Year ended December 31, 2010	截至二零一零年十二月三十一日 止年度						
Opening net carrying amount	年初賬面淨額	2,613	324	24,063	2,988	4,562	34,550
Additions	添置	–	9,465	7,260	1,880	5,350	23,955
Disposals	出售	–	–	–	(3)	(208)	(211)
Transfer to Investment properties (Note 8)	撥入投資物業 (附註8)	(898)	–	–	–	–	(898)
Depreciation (Note 24)	折舊(附註24)	(42)	(391)	(3,689)	(1,117)	(842)	(6,081)
Closing net carrying amount	年末賬面淨額	<u>1,673</u>	<u>9,398</u>	<u>27,634</u>	<u>3,748</u>	<u>8,862</u>	<u>51,315</u>
At December 31, 2010	於二零一零年十二月三十一日						
Cost	成本	1,801	10,851	42,707	7,900	11,149	74,408
Accumulated depreciation	累計折舊	(128)	(1,453)	(15,073)	(4,152)	(2,287)	(23,093)
Net carrying amount	賬面淨額	<u>1,673</u>	<u>9,398</u>	<u>27,634</u>	<u>3,748</u>	<u>8,862</u>	<u>51,315</u>

Notes to the Consolidated Financial Statements 合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

Depreciation of the Group's property, plant and equipment has been charged to the consolidated profit and loss as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cost of sales	銷售成本	3,817	3,674
General and administrative expenses	一般及行政開支	2,264	1,618
Total	總計	<u>6,081</u>	<u>5,292</u>

The Group's buildings at their carrying amounts are analysed as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Buildings in the PRC	於中國的樓宇	<u>1,673</u>	<u>2,613</u>

As at December 31, 2010, no buildings with net book value (2009: RMB898,000) were pledged as collateral for the Group's borrowings, (Notes 15 and 16). As at December 31, 2010, machinery with net book values of approximately RMB8,515,000 (2009: RMB23,479,000) were pledged as collateral for the Group's borrowings (Notes 15 and 16).

Depreciation on buildings of RMB42,000 (2009: RMB67,000) for the year ended December 31, 2010, has been charged to "General and administrative expenses".

7 物業、廠房及設備 – 本集團 (續)

本集團的物業、廠房及設備折舊已按下列方式於合併損益表扣除：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cost of sales	銷售成本	3,817	3,674
General and administrative expenses	一般及行政開支	2,264	1,618
Total	總計	<u>6,081</u>	<u>5,292</u>

本集團樓宇按其賬面值分析如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Buildings in the PRC	於中國的樓宇	<u>1,673</u>	<u>2,613</u>

於二零一零年十二月三十一日，概無樓宇已抵押作為本集團借款的抵押品（二零零九年：賬面淨值人民幣898,000元）（附註15及16）。於二零一零年十二月三十一日，賬面淨值約人民幣8,515,000元（二零零九年：人民幣23,479,000元）的機器被抵押作為本集團借款的抵押品（附註15及16）。

截至二零一零年十二月三十一日止年度，樓宇折舊人民幣42,000元（二零零九年：人民幣67,000元）已於「一般及行政開支」中扣除。

Notes to the Consolidated Financial Statements
合併財務報表附註

8 INVESTMENT PROPERTIES – GROUP

8 投資物業—本集團

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of the year	於年初	-	-
Transfer from property, plant and equipment	從物業、廠房及設備撥入	898	-
Surplus directly credit to revaluation reserve	直接計入重估儲備的盈餘	919	-
At end of the year	於年末	1,817	-

As at December 31, 2010, investment properties of carrying value of RMB1,817,000 (2009: nil) were pledged as collateral for the Group's borrowings (Notes 15 and 16).

於二零一零年十二月三十一日，本集團已抵押賬面值人民幣1,817,000元（二零零九年：無）的投資物業，以作為本集團借款的抵押品（附註15及16）。

The Group's interests in investment properties at their carrying amounts are analysed as follows:

本集團於投資物業的權益按賬面值分析如下：

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
In the PRC, held on:	於中國以下列方式持有：		
Leases of 10-50 years	10至50年的租約	1,817	-

Notes to the Consolidated Financial Statements

合併財務報表附註

9 INTANGIBLE ASSETS – GROUP

9 無形資產 – 本集團

		Computer software 電腦軟件 RMB'000 人民幣千元	Web site 網站 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2009	於二零零九年一月一日			
Cost	成本	1,542	3,106	4,648
Accumulated amortisation	累計攤銷	(329)	–	(329)
Net carrying amount	賬面淨額	<u>1,213</u>	<u>3,106</u>	<u>4,319</u>
Year ended December 31, 2009	截至二零零九年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨額	1,213	3,106	4,319
Additions	添置	15	–	15
Amortisation (Note 24)	攤銷(附註24)	(254)	(311)	(565)
Closing net carrying amount	年末賬面淨額	<u>974</u>	<u>2,795</u>	<u>3,769</u>
At December 31, 2009	於二零零九年十二月三十一日			
Cost	成本	1,557	3,106	4,663
Accumulated amortisation	累計攤銷	(583)	(311)	(894)
Net carrying amount	賬面淨額	<u>974</u>	<u>2,795</u>	<u>3,769</u>
Year ended December 31, 2010	截至二零一零年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨額	974	2,795	3,769
Additions	添置	1,030	–	1,030
Amortisation (Note 24)	攤銷(附註24)	(290)	(311)	(601)
Closing net carrying amount	年末賬面淨額	<u>1,714</u>	<u>2,484</u>	<u>4,198</u>
At December 31, 2010	於二零一零年十二月三十一日			
Cost	成本	2,587	3,106	5,693
Accumulated amortisation	累計攤銷	(873)	(622)	(1,495)
Net carrying amount	賬面淨額	<u>1,714</u>	<u>2,484</u>	<u>4,198</u>

The amortisation of intangible assets has been charged to “General and administrative expenses”.

無形資產攤銷已於「一般及行政開支」中扣除。

Notes to the Consolidated Financial Statements
合併財務報表附註

10 TRADE RECEIVABLES – NET – GROUP

10 貿易應收款項 – 淨額 – 本集團

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	261,799	156,034
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	<u>(7,170)</u>	<u>(1,732)</u>
Trade receivables – net	貿易應收款項 – 淨額	<u>254,629</u>	<u>154,302</u>

The fair values of trade receivables approximate their carrying values.

貿易應收款項的公允價值與其賬面值相若。

The payment terms with customers are mainly on cash on delivery and on credit. The credit periods ranging from 30 days to 365 days after end of the month in which the relevant sales occurred. Aging analysis of the Group's trade receivables based on invoice date is as follows:

客戶一般按貨到付現及以記賬方式付款。信貸期介乎作出相關銷售當月結束起計30日至365日不等。本集團的貿易應收款項根據其發票日期的賬齡分析如下：

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1 – 30 days	1至30日	33,373	32,102
31 – 60 days	31至60日	26,661	19,180
61 – 90 days	61至90日	20,510	9,451
91 – 365 days	91至365日	142,671	80,306
Over 1 year	一年以上	<u>38,584</u>	<u>14,995</u>
		261,799	156,034
Less: provision for impairment on trade receivables	減：貿易應收款項減值撥備	<u>(7,170)</u>	<u>(1,732)</u>
Trade receivables – net	貿易應收款項 – 淨額	<u>254,629</u>	<u>154,302</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

10 TRADE RECEIVABLES – NET – GROUP (continued)

The carrying amounts of the Group's trade receivables are denominated in RMB.

As at December 31, 2010, trade receivables of RMB50,974,000 (2009: RMB24,601,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default and the repayment period is consistent with the Group's practice. The aging analysis of these trade receivables is as follows:

Past due 1 – 30 days	逾期1至30日
Past due 31 – 60 days	逾期31至60日
Past due 61 – 90 days	逾期61至90日
Past due over 91 days	逾期91日以上

10 貿易應收款項 – 淨額 – 本集團 (續)

本集團貿易應收款項的賬面值以人民幣計值。

於二零一零年十二月三十一日，貿易應收款項人民幣50,974,000元（二零零九年：人民幣24,601,000元）已逾期但並未減值。該等款項乃有關近期並無違約歷史的多名獨立客戶且還款期與本集團慣例一致。該等貿易應收款項的賬齡分析如下：

	2010	2009
	二零一零年	二零零九年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	14,448	3,081
	8,964	2,919
	5,212	2,837
	22,350	15,764
	50,974	24,601

Notes to the Consolidated Financial Statements 合併財務報表附註

10 TRADE RECEIVABLES – NET – GROUP (continued)

As at December 31, 2010, trade receivables of RMB7,170,000 (2009: RMB1,732,000) were impaired and provided for. For the year ended December 31, 2010, the amounts of the provision charged to the consolidated statement of comprehensive income were RMB5,438,000 (2009: RMB858,000). The individually impaired receivables mainly relate to customers which are in unexpected difficult economic situations. The aging of these receivables is as follows:

91-365 days	91至365日
Over 1 year	一年以上

10 貿易應收款項－淨額－本集團 (續)

於二零一零年十二月三十一日，貿易應收款項人民幣7,170,000元（二零零九年：人民幣1,732,000元）已減值並計提撥備。截至二零一零年十二月三十一日止年度，於合併全面收益表扣除之撥備金額為人民幣5,438,000元（二零零九年：人民幣858,000元）。個別已減值應收款項主要與處於意外經濟困境的客戶有關。該等應收款項的賬齡分析如下：

2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
842	277
<u>6,328</u>	<u>1,455</u>
<u><u>7,170</u></u>	<u><u>1,732</u></u>

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

本集團應收款項減值撥備的變動情況如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At beginning of year	1,732	874
Provision for impairment on trade receivables	<u>5,438</u>	<u>858</u>
At end of year	<u><u>7,170</u></u>	<u><u>1,732</u></u>

Notes to the Consolidated Financial Statements 合併財務報表附註

10 TRADE RECEIVABLES – NET – GROUP (continued)

The creation and release of provision for impaired receivables have been included in “General and administrative expenses” in the consolidated statement of comprehensive income (Note 24). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. Apart from the trade receivables with impairment provided, the remaining trade receivables do not contain impaired assets.

The maximum exposures of the Group to credit risk as at December 31, 2010 and 2009 were the carrying value of trade receivables mentioned above. The Group does not hold any collateral as security.

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group
本集團

Non-current portion:

Prepayment for long term investment

Deposits to newspaper publishers

Current portion:

Prepayments

Deposits and other receivables

Total

非即期部分：

長期投資的預付款項

給予報紙出版商的按金

即期部分：

預付款項

按金及其他應收款項

總額

10 貿易應收款項－淨額－本集團 (續)

應收款項減值撥備的產生及解除已計入合併全面收益表的「一般及行政開支」內(附註24)。當預期有不能收回的額外現金時，有關記入備抵賬目的數額一般會撇銷。除已作減值撥備的貿易應收款項外，其他貿易應收款項不含已減值資產。

於二零一零年及二零零九年十二月三十一日，本集團面臨的最大信貸風險為上述貿易應收款項的賬面值。本集團並無持有作為抵押的任何抵押品。

11 預付款項、按金及其他應收款項

	2010	2009
	二零一零年	二零零九年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

	98,000	–
	92,000	60,000
	190,000	60,000
	124,620	98,488
	63,153	47,329
	187,773	145,817
	377,773	205,817

Notes to the Consolidated Financial Statements 合併財務報表附註

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Company

本公司

Other receivable

其他應收款項

	2010	2009
	二零一零年	二零零九年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

26,672

-

The carrying amounts of the Group's prepayments, deposits and other receivables are denominated in RMB.

Prepayment for long term investment

Prepayment for long term investment represents cash paid by the Group to a metropolitan newspaper publisher in the PRC in relation to the potential establishment of a jointly controlled entity with the metropolitan newspaper publisher. The prepayment will be refundable upon the earlier of the termination of the plan to establish the jointly controlled entity or December 31, 2011 which is the target date to complete the potential investment.

Deposits to newspaper publishers

Deposits to newspaper publishers represented cash paid by the Group to certain metropolitan newspaper publishers in the PRC pursuant to exclusive agreements between the Group and newspaper publishers. Under the terms of the agreements, the Group has obtained the exclusive rights to sell advertising space of the respective newspapers for a fixed term from 7 to 30 years and it has to transfer specified amount of cash to the newspaper publishers. The cash held by the newspaper publishers will be repayable to the Group upon the expiry of the agreements. The Group assesses the recoverable amount of the deposits on each balance sheet date and the carrying values of these amounts are written down immediately to their recoverable amounts if recoverable amounts are less than the carrying values.

11 預付款項、按金及其他應收款項 (續)

本集團的預付款項、按金及其他應收款項的賬面值以人民幣計值。

長期投資的預付款項

長期投資的預付款項指本集團就可能與中國一名都市報出版商成立共同控制實體而向其支付的現金。預付款項將可於終止成立共同控制實體計劃或二零一一年十二月三十一日(即完成潛在投資的目標日期)(以較早者為準)退回。

給予報紙出版商的按金

給予報紙出版商的按金指本集團根據本集團與報紙出版商訂立的獨家協議向中國若干都市報出版商支付的現金。根據該等協議的條款，本集團取得銷售相關報紙廣告空間的獨家權利，期限固定為7至30年，而其須向報紙出版商轉讓規定的現金數額。報紙出版商所持有的現金將在協議屆滿後歸還給本集團。本集團於各結算日評估按金的可收回金額，若可收回金額低於賬面值，該等款項的賬面值會即時撇減至其可收回金額。

Notes to the Consolidated Financial Statements 合併財務報表附註

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Prepayments

Under the terms of the exclusive advertising agreements with metropolitan newspaper's contract, the Group also has to make prepayments for print media advertising to the newspaper publishers, the amounts prepaid to newspaper publishers can be used to offset the fees payable where the amount of prepayment available. During the year ended December 31, 2010, the Group has entered into co-operative arrangements with television operators and has to make prepayment to the television operator in accordance with the contract.

The future aggregate minimum advertising payments under non-cancellable exclusive advertising agreements are as follows:

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Not later than 1 year	一年以下	248,279	254,939
Later than 1 year and not later than 5 years	一年以上及五年以下	606,819	499,098
Later than 5 years	五年以上	2,162,000	2,160,000
		3,017,098	2,914,037

Deposits and other receivables

Deposits and other receivables primarily comprised cash paid to contracted newspaper and television partners as deposits for operation rights. The deposits are interest-free and are refundable at the end of each year or on request under mutual consent.

11 預付款項、按金及其他應收款項 (續)

預付款項

根據獨家廣告協議與都市報合約的條款，本集團亦須就印刷媒體廣告向報紙出版商支付預付款項，向報紙出版商預付的款項可用作抵銷應付的費用（倘有可供動用的預付款項金額）。於截至二零一零年十二月三十一日止年度，本集團與電視運營商訂立合作安排，並須根據合約向電視運營商支付預付款項。

不可撤銷獨家廣告協議的日後最低廣告付款總額如下：

按金及其他應收款項

按金及其他應收款項主要包括已付已訂約報紙及電視台合作夥伴作為經營權按金的現金。按金屬於免息及可於各年年末或在雙方同意下按要求退回。

Notes to the Consolidated Financial Statements 合併財務報表附註

12 ASSETS HELD FOR SALE – GROUP

The Group's assets held for sale includes the following:

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties held for sale	持作出售物業	29,848	22,885

The properties in the PRC were received in exchange of advertising services to real estates developers in the PRC. The Group's intention is to sell these properties and, accordingly, such rights are recognised as assets held for sale upon the completion of the advertising sales transaction if the related property is ready to be sold.

Cash flows associated with the disposal of assets held for sale are presented under "operating activities" in the consolidated statement of cash flows. The gain/loss on disposal of assets held for sale are recorded in "other income" and "general and administrative expenses" in the consolidated statement of comprehensive income, respectively.

12 持作出售資產－本集團

本集團的持作出售資產包括以下項目：

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties held for sale	持作出售物業	29,848	22,885

中國物業乃於向中國房地產開發商交換廣告服務時取得。本集團的目的為銷售該等物業，因此，若相關物業可供出售，有關權利於完成廣告銷售交易時確認作持作出售資產。

有關出售持作出售資產的現金流量呈列於合併現金流量表「經營活動」下。出售持作出售資產的收益／虧損分別記錄在合併全面收益表「其他收入」及「一般及行政開支」內。

13 INVENTORIES – GROUP

Newsprint and printing consumables

新聞紙及印刷消耗品

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Newsprint and printing consumables	新聞紙及印刷消耗品	5,287	3,954

13 存貨－本集團

Notes to the Consolidated Financial Statements

合併財務報表附註

14 CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents are denominated in the following currencies:

Group		2010	2009
本集團		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at bank and on hand:	銀行及手頭現金：		
Denominated in RMB	以人民幣計值	46,627	39,394
Denominated in HKD	以港元計值	445,315	838
Denominated in USD	以美元計值	54,059	411
		546,001	40,643
Maximum exposure to credit risk	最大信貸風險	544,250	38,526

Company		2010	2009
本公司		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at bank:	銀行現金：		
Denominated in HKD	以港元計值	189,801	–
		189,801	–

Cash in bank earns interest at floating rates based on daily bank deposits rate. The carrying amounts of the cash and cash equivalents approximate their fair values.

14 現金及現金等值項目

本集團之現金及現金等值項目乃以下列貨幣計值：

2010		2009
二零一零年		二零零九年
RMB'000		RMB'000
人民幣千元		人民幣千元
Cash at bank and on hand:	銀行及手頭現金：	
Denominated in RMB	以人民幣計值	39,394
Denominated in HKD	以港元計值	838
Denominated in USD	以美元計值	411
		40,643
Maximum exposure to credit risk	最大信貸風險	38,526

2010		2009
二零一零年		二零零九年
RMB'000		RMB'000
人民幣千元		人民幣千元
Cash at bank:	銀行現金：	
Denominated in HKD	以港元計值	–
		–

銀行現金按基於銀行每日存款利率的浮動利率計息。現金及現金等值項目的賬面值與其公允價值相若。

Notes to the Consolidated Financial Statements

合併財務報表附註

14 CASH AND CASH EQUIVALENTS (continued)

Bank and cash balances amounted to approximately RMB546,001,000 as at December 31, 2010 (2009: RMB40,643,000), were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

15 PLEDGE OF ASSETS

The Group had the following pledge of assets as collateral to secure the Group's bank borrowings (Note 16):

14 現金及現金等值項目 (續)

於二零一零年十二月三十一日，銀行及現金結餘約為人民幣546,001,000元（二零零九年：人民幣40,643,000元），均以人民幣計值。人民幣兌換為外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

15 資產抵押

本集團抵押以下資產作為抵押品，以獲取對本集團的銀行借貸（附註16）：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
At net book value:	按賬面淨值：		
Buildings in the PRC (Note 7)	於中國的樓宇（附註7）	-	898
Machinery (Note 7)	機器（附註7）	<u>8,515</u>	<u>23,479</u>
		8,515	24,377
At fair value:	按公允價值：		
Investment properties (Note 8)	投資物業（附註8）	<u>1,817</u>	-
		<u>10,332</u>	<u>24,377</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

16 BORROWINGS – GROUP

16 借款－本集團

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current liability:	非流動負債：		
Other loan	其他貸款	2,789	–
Current liabilities:	流動負債：		
Short-term bank loans, secured	短期銀行貸款，有抵押	50,000	44,520
Other loans	其他貸款	1,818	2,740
		51,818	47,260
		54,607	47,260

Borrowings of RMB 50,000,000 as at December 31, 2010 (2009: RMB 44,520,000) were secured by the Group's machinery and investment properties (Note 15). These loans are used to finance daily operations.

於二零一零年十二月三十一日，以本集團機器及投資物業（附註15）作抵押的借款為人民幣50,000,000元（二零零九年：人民幣44,520,000元）。該等貸款用於為日常經營提供資金。

The weighted average effective interest rate at December 31, 2010, was 5.6% per annum (2009: 5.3% per annum).

於二零一零年十二月三十一日的加權平均實際年利率為5.6%（二零零九年：5.3%）。

Notes to the Consolidated Financial Statements 合併財務報表附註

16 BORROWINGS – GROUP (continued)

The carrying amounts of the Group's borrowings are denominated in RMB and approximate to their fair values.

- (a) The maturity of the total borrowings at respective balance sheet dates is as follow:

16 借款－本集團（續）

本集團借款的賬面值以人民幣計值並與其公允價值相若。

- (a) 於各結算日，借款總額到期日如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Within 1 year	一年以下	51,818	47,260
Between 1 to 2 years	一年至兩年	1,783	-
After 2 and within 5 years	兩年至五年	1,006	-
		54,607	47,260

Notes to the Consolidated Financial Statements

合併財務報表附註

17 TRADE, OTHER PAYABLES AND ACCRUED EXPENSES

17 貿易、其他應付款項及應計費用

Group		2010	2009
本集團		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	4,164	3,722
Other payables and accrued expenses:	其他應付款項及應計費用：		
Accrued utility expenses and other liabilities	應計公共設施開支及 其他負債	848	992
Accrued salaries and welfare	應計薪金及福利	3,175	5,064
Value added tax and other taxes payable	增值稅及其他應付稅項	29,323	25,100
Other payables	其他應付款項	67,920	2,144
Deposits from customers	來自客戶的按金	4,299	9,090
Receipts in advance	預先收取的款項	9,260	14,055
		114,825	56,445
		118,989	60,167
Company		2010	2009
本公司		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other payables and accrued expenses:	其他應付款項及應計費用：		
Accrued salaries and welfare	應計薪金及福利	258	—
Other payables	其他應付款項	26,672	—
		26,930	—

Payment terms granted by suppliers are mainly on cash on delivery and on credit. The credit periods ranging from 30 days to 365 days after end of the month in which the relevant purchase occurred.

供應商給予的付款條款一般為貨到付現及以記賬方式付款。信貸期介乎作出相關採購當月結束起計30日至365日不等。

Notes to the Consolidated Financial Statements 合併財務報表附註

17 TRADE, OTHER PAYABLES AND ACCRUED EXPENSES (continued)

The aging analysis of the trade payables based on the date of receipt of goods is as follows:

1 – 30 days	1至30日
31 – 90 days	31至90日
Over 90 days	90日以上

The carrying amounts of the Group's trade payables are all denominated in RMB.

18 DEFERRED INCOME TAX

No deferred income tax asset has been recognised in respect of the RMB5,257,000 of tax losses as at December 31, 2010 (2009: RMB 2,792,000) as it is not probable that the relevant subsidiaries of the Group will generate taxable profits to utilise the tax loss in the foreseeable future. Such tax losses have an expiry period of five years.

Under the EIT Law and implementation regulations issued by the PRC Government, withholding tax of 10% or a lower treaty rate is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 1, 2008 onward. Deferred income tax liabilities of RMB41,151,000 for the year ended December 31, 2010 (2009: RMB24,499,000), have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries because the Group has no intention to remit such unremitted earnings in these subsidiaries in the PRC in the foreseeable future. As at December 2010, unremitted earnings of certain subsidiaries amounted to RMB411,505,000 (2009: RMB244,987,000).

17 貿易、其他應付款項及應計費用 (續)

貿易應付款項根據收貨日期的賬齡分析如下：

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
1 – 30 days	1,463	1,751
31 – 90 days	808	441
Over 90 days	1,893	1,530
	4,164	3,722

本集團的貿易應付款項的賬面值全部以人民幣計值。

18 遞延所得稅

於二零一零年十二月三十一日，因本集團相關附屬公司並不可能會產生應課稅溢利以於可見將來利用稅項虧損，故並無就人民幣5,257,000元（二零零九年：人民幣2,792,000元）的稅項虧損確認遞延所得稅資產。該等稅項虧損屆滿期間為五年。

根據中國政府頒佈的企業所得稅法及實施條例，自二零零八年一月一日起對中國附屬公司就所賺取溢利宣派的股息按10%或較低協定稅率徵收預扣稅。截至二零一零年十二月三十一日止年度，就若干附屬公司未付匯溢利應付預扣稅及其他稅項而言，有人民幣41,151,000元（二零零九年：人民幣24,499,000元）的遞延所得稅負債未獲確認，這是因為本集團無意於可見未來匯出該等中國附屬公司未付匯溢利。於二零一零年十二月，若干附屬公司的未付匯溢利達人民幣411,505,000元（二零零九年：人民幣244,987,000元）。

Notes to the Consolidated Financial Statements 合併財務報表附註

19 SHARE CAPITAL AND SHARE PREMIUM 19 股本及股份溢價

	Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$ 港元	Equivalent nominal value of ordinary shares 等值面值 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Authorised:					
Ordinary shares of HK\$0.1 each at December 9, 2009 and December 31, 2010 and 2009 (Note (a))	2,000,000,000	0.1			
Issued:					
Ordinary shares of HK\$0.1 each at December 9, 2009 and January 1, 2010 (Note (a))	1	0.1	-	-	-
Allotment of new ordinary shares of HK\$0.1 each (Note (b))	549,123,120	54,912,312	48,284	190,657	238,941
Share issued in connection with the Global Offering (Note (c))	183,042,000	18,304,200	15,576	456,365	471,941
Share issuance costs	-	-	-	(106,711)	(106,711)
Ordinary shares of HK\$0.1 each at December 31, 2010	732,165,121	73,216,512	63,860	540,311	604,171

Notes:

- (a) The Company was incorporated in the Cayman Islands on December 9, 2009 with an authorised share capital of HK\$ 200 million divided into 2,000,000,000 shares of HK\$0.1 each. On the same date, the Company issued and allotted one share, credited as fully paid at par, to China TopReach.
- (b) Pursuant to a resolution dated January 18, 2010 and a share subscription agreement on February 5, 2010, the Company's issued share capital was increased from RMB0.1 to RMB 48,284,000, by the issuance of 549,123,120 shares of HK\$0.1 each.
- (c) On December 3, 2010, the Company issued 183,042,000 new shares of HK\$0.1 each in relation to the Global Offering.

附註:

- (a) 本公司於二零零九年十二月九日在開曼群島註冊成立，法定股本為200,000,000港元，分為2,000,000,000股每股面值0.1港元的股份。同日，本公司向中國天瑞發行及配發一股按面值入賬列為繳足的股份。
- (b) 根據日期為二零一零年一月十八日的決議案及於二零一零年二月五日訂立的股份認購協議，本公司的已發行股本已透過發行549,123,120股每股面值0.1港元的股份由人民幣0.1元增至人民幣48,284,000元。
- (c) 於二零一零年十二月三日，本公司就全球發售發行183,042,000股每股面值0.1港元的新股份。

Notes to the Consolidated Financial Statements

合併財務報表附註

20 RESERVES

(a) Group

The details of movement in the Group's reserves are set out in the consolidated statement of changes in equity on page 78:

(i) Statutory reserves

The statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purpose in accordance with the regulations in the PRC. The allocation is based on certain percentages of these companies' profit for the year, as reported in their statutory financial statements.

Pursuant to the PRC regulations and the companies' respective Articles of Association, each of the Group companies is required to transfer 10% of its profit for the year, as determined under the PRC Accounting Regulations, to a statutory common reserve fund until the fund balance exceeds 50% of the Group company's registered capital. The statutory common reserve fund can be used to make good previous years' losses, if any, and to issue new shares to shareholders in proportion to their existing shareholdings or to increase the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

Each of the Group companies is also permitted to transfer a certain percentage of its profit for the year as determined under the PRC Accounting Regulations, to a discretionary common reserve fund. The transfer to this reserve is subject to approval at shareholders' meetings.

20 儲備

(a) 本集團

本集團儲備的變動詳情載於第78頁的合併權益變動表：

(i) 法定儲備

法定儲備指中國註冊成立公司就未來發展目的根據中國法規設立的儲備。此分配乃基於該等公司在法定財務報表內所報的年內溢利的一定百分比。

根據中國有關規定及公司各自的章程細則，本集團各成員公司須將按中國會計準則所計算的年內溢利的10%撥入法定公積金，直至該公積金結餘超過本集團成員公司註冊資本的50%。法定公積金可用於彌補以前年度虧損（如有），亦可按現有持股比例配發及發行新股予股東或增加股東現時所持股份的面值，但配發及發行後的結餘不可少於註冊資本的25%。

本集團各成員公司亦可將按中國會計準則所計算的年內溢利的若干百分比撥入任意公積金。該項撥款須經股東大會通過。

Notes to the Consolidated Financial Statements 合併財務報表附註

20 RESERVES (continued)

(a) Group (continued)

(ii) Capital reserves

Capital reserves represent cash contributions to Olympia Media, Fujian ShiFang and Beijing HongXinTu by the Underlying Shareholders.

(iii) Equity-based compensation reserves

The equity-based compensation reserves represented the fair value of the employee services received in exchange for the grant of the share options which is recognised in accordance with the accounting policy adopted for equity-based compensation in Note 35.

(iv) Revaluation reserve

The revaluation reserve relates to the revaluation of the investment properties to their fair values.

(b) Company

20 儲備 (續)

(a) 本集團 (續)

(ii) 資本儲備

資本儲備指相關股東對奧海傳媒、福建十方及北京鴻馨圖作出的現金供款。

(iii) 以股權為基礎的薪酬儲備

以股權為基礎的薪酬儲備指以授出購股權換取的僱員服務的公允價值，有關公允價值乃按照就附註35的以股權為基礎的薪酬採納的會計政策確認。

(iv) 重估儲備

重估儲備與投資物業公允價值重估有關。

(b) 本公司

		Accumulated deficits	Equity-based compensation reserves	Total
		累計虧絀	以股權為基礎的 薪酬儲備	總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at January 1, 2010	於二零一零年一月一日的 結餘	-	-	-
Total comprehensive loss for the year	年內全面虧損總額	(5,520)	-	(5,520)
Equity-based compensation	以股權為基礎的薪酬	-	5,263	5,263
Balance at December 31, 2010	於二零一零年 十二月三十一日的結餘	(5,520)	5,263	(257)

Notes to the Consolidated Financial Statements 合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY

21 於一間附屬公司的投資－本公 司

2010
二零一零年
RMB'000
人民幣千元

Unlisted shares, at cost 非上市股份·按成本 **342**

The following is a list of the principal subsidiaries of the Company as at December 31, 2010:

下表載列於二零一零年十二月三十一日
之主要附屬公司：

Name	Place and date of incorporation/ establishment	Principal activities	Legal status	Issued or registered/paid up capital	Effective interest held as at December 31,	
名稱	註冊成立／成立地點及日期	主要業務	法律地位	已發行或註冊／實繳股本	2010	2009
					二零一零年	二零零九年

Directly owned subsidiary:

直接擁有附屬公司：

Olympia Media Holdings Limited ("Olympia Media")	The British Virgin Islands, December 13, 2005	Investment holding	Limited liability company	US\$50,000	100%	100%
奧海傳媒集團有限公司 ([奧海傳媒])	英屬維爾京群島 二零零五年 十二月十三日	投資控股	有限責任公司	50,000美元	100%	100%

Indirectly owned subsidiaries:

間接擁有附屬公司：

Beijing BaiChuanDuKe Science and Technology Co., Ltd.	Beijing, the PRC, November 14, 2006	Provision of technology promotion and consultancy services	Limited liability company	RMB1,000,000	100%	100%
北京百傳讀客科技有限公司	中國北京· 二零零六年 十一月十四日	提供技術推廣及 諮詢服務	有限責任公司	人民幣1,000,000元	100%	100%

Notes to the Consolidated Financial Statements 合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

21 於一間附屬公司的投資－本公司 (續)

下表載列於二零一零年十二月三十一日
之主要附屬公司：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Beijing HanDing Advertisement Co., Ltd. 北京漢鼎廣告有限公司	Beijing, the PRC August 8, 2007 中國北京 二零零七年八月八日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	HK\$2,500,000 2,500,000港元	100%	100%
Chongqing ShiFang Culture Communication Co., Ltd. ("Chongqing ShiFang") 重慶十方文化傳播有限公司 (「重慶十方」)	Chongqing, the PRC January 19, 2006 中國重慶 二零零六年 一月十九日	Provision of full- line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB2,000,000 人民幣2,000,000元	100%	100%
Dalian ShiFang Media Co., Ltd. ("Dalian ShiFang") 大連十方傳媒有限公司 (「大連十方」)	Dalian, the PRC February 8, 2007 中國大連 二零零七年二月八日	Provision of advertising services 提供廣告服務	Limited liability company 有限責任公司	RMB2,000,000 人民幣2,000,000元	100%	100%
Dongkuai (Fuzhou) Investment Consultancy Services Co., Ltd. 東快(福州)投資諮詢服務有限公司	Fuzhou, the PRC July 13, 2007 中國福州 二零零七年七月十三日	Provision of investment consultancy services 提供投資諮詢服務	Limited liability company 有限責任公司	RMB500,000 人民幣500,000元	100%	100%

Notes to the Consolidated Financial Statements

合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

21 於一間附屬公司的投資－本公司 (續)

下表載列於二零一零年十二月三十一日之主要附屬公司：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Fujian ShiFang Culture Communication Co., Ltd. ("Fujian ShiFang") 福建十方文化傳播有限公司 (「福建十方」)	Fuzhou, the PRC November 1, 2000 中國福州 二零零零年十一月一日	Provision of full- line advertising agency services 提供全方位廣告代理服務	Limited liability company 有限責任公司	RMB46,000,000 人民幣46,000,000元	100%	100%
Fujian ZhiYuan Media Co., Ltd. 福建之緣傳媒有限公司	Fuzhou, the PRC September 3, 2002 中國福州 二零零二年九月三日	Provision of newspaper advertising agency services 提供報紙廣告代理服務	Limited liability company 有限責任公司	RMB3,030,000 人民幣3,030,000元	100%	100%
Fuzhou AoHai Advertisement Co., Ltd. 福州奧海廣告有限公司	Fuzhou, the PRC February 19, 2008 中國福州 二零零八年二月十九日	Provision of full-line advertising agency services 提供全方位廣告代理服務	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	100%
Fuzhou DongKuai Media Co., Ltd. 福州東快傳媒有限公司	Fuzhou, the PRC June 9, 2005 中國福州 二零零五年六月九日	Provision of full-line advertising agency services 提供全方位廣告代理服務	Limited liability company 有限責任公司	RMB500,000 人民幣500,000元	100%	100%

Notes to the Consolidated Financial Statements

合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

21 於一間附屬公司的投資－本公司 (續)

下表載列於二零一零年十二月三十一日之主要附屬公司：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Fuzhou HanDing Network Science & Technology Co., Ltd. 福州漢鼎網絡科技有限公司	Fuzhou, the PRC April 30, 2008 中國福州 二零零八年四月三十日	Investment holding 投資控股	Limited liability company 有限責任公司	RMB190,000,000 人民幣190,000,000元	100%	100%
Fuzhou HongXinTu Printing Co., Ltd. ("Fuzhou HongXinTu") 福州鴻馨圖印務有限公司 (「福州鴻馨圖」)	Fuzhou, the PRC September 21, 2006 中國福州 二零零六年 九月二十一日	Provision of printing services 提供印刷服務	Limited liability company 有限責任公司	RMB10,000,000 人民幣10,000,000元	100%	100%
Gloria Fair Limited 漢鼎有限公司	Hong Kong, November 2, 2001 香港 二零零一年十一月二日	Provision of advertising, investment and internet services 提供廣告、投資及 互聯網服務	Limited liability company 有限責任公司	HK\$10,000 10,000港元	100%	100%
Hung Hing To Publishing Limited 鴻馨圖總發行有限公司	The British Virgin Islands, December 13, 2005 英屬維爾京群島, 二零零五年 十二月十三日	Provision of publishing and advertising services 提供出版及廣告服務	Limited liability company 有限責任公司	US\$622,500 622,500美元	100%	100%
Kunming AoHai Advertising Co.,Ltd. 昆明奧海廣告有限公司	Kunming, the PRC March 3, 2008 中國昆明 二零零八年三月三日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	100%

Notes to the Consolidated Financial Statements 合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

21 於一間附屬公司的投資－本公司 (續)

下表載列於二零一零年十二月三十一日之主要附屬公司：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Kunming HongLianXin Printing Co.,Ltd. ("Kunming HongLianXin") 昆明弘聯欣印務有限公司 (「昆明弘聯欣」)	Kunming, the PRC July 22, 2005 中國昆明 二零零五年七月二十二日	Provision of publishing and printing services 提供出版及印刷服務	Limited liability company 有限責任公司	RMB23,000,000 人民幣23,000,000元	100%	100%
Liaoning AoHai TianYi Media Advertisement Co., Ltd. 遼寧奧海天一傳媒廣告有限公司	Shenyang, the PRC March 17, 2008 中國瀋陽 二零零八年三月十七日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB5,000,000 人民幣5,000,000元	100%	100%
Shenyang ZhuQin ShiFang Media Development Co., Ltd. ("Shenyang ShiFang") 瀋陽祝秦十方傳媒發展有限公司 (「瀋陽十方」)	Shenyang, the PRC September 10, 2007 中國瀋陽 二零零七年九月十日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	51%	51%
Shifang YaQi Culture Communication (Xiamen) Co. Ltd 十方亞祺文化傳播(廈門)有限公司	Xiamen, the PRC December 27, 2004 中國廈門 二零零四年十二月十七日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB2,000,000 人民幣2,000,000元	100%	100%

Notes to the Consolidated Financial Statements 合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Tianjin ShiFang Advertisement Media Co., Ltd. ("Tianjin ShiFang") 天津十方廣告傳媒有限公司 (「天津十方」)	Tianjin, the PRC February 13, 2007 中國天津 二零零七年二月十三日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	100%
Xiamen DuKe Information Science & Technology Co., Ltd. ("Xiamen DuKe") 廈門讀客信息科技有限 公司 (「廈門讀客」)	Xiamen, the PRC February 24, 2006 中國廈門 二零零六年 二月二十四日	Provision of technology promotion and consultancy services 提供技術推廣及諮詢服務	Limited liability company 有限責任公司	RMB11,000,000 人民幣11,000,000元	100%	100%
ZhiYuan Fuzhou Culture Communication Co. Ltd 之緣(福州)文化傳播有限公司	Fuzhou, the PRC November 2, 2006 中國福州 二零零六年十一月二日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB1,030,000 人民幣1,030,000元	100%	100%
ZhiYuan (Xiamen) Culture Communication Co. Ltd 之緣(廈門)文化傳播有限公司	Xiamen, the PRC January 12, 2005 中國廈門 二零零五年一月十二日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB1,000,000 人民幣1,000,000元	100%	100%

21 於一間附屬公司的投資 – 本公 司 (續)

下表載列於二零一零年十二月三十一日
之主要附屬公司：(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

21 INVESTMENT IN A SUBSIDIARY – COMPANY (continued)

The following is a list of the principal subsidiaries of the Company as at December 31, 2010: (continued)

21 於一間附屬公司的投資－本公司 (續)

下表載列於二零一零年十二月三十一日之主要附屬公司：(續)

Name 名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Principal activities 主要業務	Legal status 法律地位	Issued or registered/paid up capital 已發行或註冊/ 實繳股本	Effective interest held as at December 31, 於十二月三十一日 持有的實際權益	
					2010 二零一零年	2009 二零零九年
Guizhou Qianzhong Newspaper Industry Printing Co. Ltd 貴州黔中報業印務有限公司	Guizhou, the PRC, June 3, 2010 中國貴州 二零一零年六月三日	Provision of publishing and printing services 提供出版及印刷服務	Limited liability company 有限責任公司	RMB 4,000,000 人民幣4,000,000元	100%	–
Guizhou Shifang HanDing Media Co. Ltd 貴州十方漢鼎傳媒有限公司	Guizhou, the PRC, October 20, 2010 中國貴州 二零一零年十月二十日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB 10,000,000 人民幣10,000,000元	100%	–
Special purpose entity: 特殊目的實體：						
Beijing HongXinTu Culture Communication Co., Ltd. ("Beijing HongXinTu") 北京鴻馨圖文化傳播有限公司 (「北京鴻馨圖」)	Beijing, the PRC July 2, 2004 中國北京 二零零四年七月二日	Provision of publishing services 提供出版服務	Limited liability company 有限責任公司	RMB 30,000,000 人民幣30,000,000元	100%	100%

Notes to the Consolidated Financial Statements

合併財務報表附註

22 AMOUNTS DUE FROM/(TO) SUBSIDIARIES – COMPANY

The balances with subsidiaries are unsecured, interest-free and repayable on demand.

22 應收／(應付)附屬公司的款項 – 本公司

與附屬公司之結餘乃無抵押、免息及應要求償還。

23 OTHER INCOME – NET

23 其他收入 – 淨額

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sale of newsprint papers	銷售新聞紙	1,451	1,724
Sale of scrap material	銷售報廢材料	2,702	1,734
Government grants	政府補助	4,293	1,945
Sundry income	雜項收入	1,145	710
		9,591	6,113

The Group has recognised government grants of RMB4,293,000 (2009: RMB1,945,000) from the Fujian government authority for the year ended December 31, 2010, as an incentive to expand the business and develop the economy in the PRC. This incentive is granted as the relevant subsidiaries of the Group have taxable profits for the respective years.

截至二零一零年十二月三十一日止年度，本集團已確認從福建政府機關收取政府補助人民幣4,293,000元（二零零九年：人民幣1,945,000元），作為在中國擴大業務及發展經濟的獎勵。由於本集團相關附屬公司於有關年度錄得應課稅溢利，故獲授此獎勵。

Notes to the Consolidated Financial Statements 合併財務報表附註

24 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging and (crediting) the following:

24 除所得稅前溢利

除所得稅前溢利經扣除及(計入)以下項目後入賬:

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Auditors' remuneration	核數師酬金	937	62
Cost of newspaper advertising	報紙廣告成本		
– Media costs	– 媒體成本	222,864	209,283
Cost of online services	網絡服務成本	2,021	1,123
Cost of television and radio advertising	電視及電台廣告成本		
– Media costs	– 媒體成本	11,070	–
Cost of distribution management, consulting and printing services:	發行管理、諮詢及印刷服務成本:		
– Raw material	– 原材料	4,317	3,630
– Media costs	– 媒體成本	4,711	4,188
– Other costs	– 其他成本	1,420	1,003
Depreciation (Note 7)	折舊(附註7)	6,081	5,292
Amortisation (Note 9)	攤銷(附註9)	601	565
Operating lease charges in respect of land and building	有關土地及樓宇的經營租賃收費	3,354	3,696
Net loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損淨額	60	17
Provision for impairment on trade receivables (Note 10)	貿易應收款項減值撥備(附註10)	5,438	858
Net foreign exchange loss/(gain)	外匯虧損/(收益)淨額	2,969	(178)
Employee benefit expenses (including directors' emoluments) (Note 25)	僱員福利開支(包括董事酬金)(附註25)	49,765	38,746
Business tax	營業稅	21,108	17,487

Notes to the Consolidated Financial Statements

合併財務報表附註

25 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

25 僱員福利開支(包括董事酬 金)

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other allowances	薪金及其他補貼	40,590	35,458
Equity-based compensation expenses	以股份為基礎的薪酬開支	5,263	-
Discretionary bonus	酌情花紅	339	797
Social security costs	社保費用	1,561	1,025
Retirement scheme contribution	退休計劃供款	2,012	1,466
		49,765	38,746

Notes to the Consolidated Financial Statements 合併財務報表附註

25 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments

The remuneration of every director of the Company paid/payable by the companies now comprising the Group for the years ended December 31, 2010 and 2009 is set out below:

25 僱員福利開支(包括董事酬金) (續)

(a) 董事酬金

截至二零一零年及二零零九年十二月三十一日止年度，現時組成本集團各公司已付／應付本公司各董事的酬金載列如下：

		Year ended December 31, 2010 截至二零一零年十二月三十一日止年度					
Fees	Salaries and other allowances	Discretionary bonus	Social security cost	Share-based compensation (Note 35)	Total		
袍金	薪金及其他補貼	酌情花紅	社保費用	以股份為基礎的薪酬 (附註35)	總計		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors:		執行董事:					
Mr. Chen Zhi	陳志先生	-	711	-	-	2,000	2,711
Mr. Hong Pei Feng	洪培峰先生	-	611	-	-	527	1,138
Mr. Zhang Tie Zhu	張鐵柱先生	-	695	-	5	1,790	2,490
Non-executive director:		非執行董事:					
Mr. Wang Ping	王平先生	10	-	-	-	105	115
Independent Non-executive directors:		獨立非執行董事:					
Mr. Zhou Chang Ren	周昌仁先生	10	-	-	-	-	10
Mr. Wong Heung Ming, Henry	黃向明先生	10	-	-	-	-	10
Mr. Zhuo Ze Yuan	卓澤淵先生	10	-	-	-	-	10
Total	總計	40	2,017	-	5	4,422	6,484

Notes to the Consolidated Financial Statements 合併財務報表附註

25 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued) (a) Directors' emoluments (continued)

25 僱員福利開支(包括董事酬金) (續) (a) 董事酬金(續)

		Year ended December 31, 2009 截至二零零九年十二月三十一日止年度					
		Salaries and other Fees	Discretionary bonus	Social security cost	Share-based compensation (Note 35) 以股份為 基礎的薪酬	Total	
		袍金 RMB'000 人民幣千元	其他補貼 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	社保費用 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	
Executive directors:	執行董事:						
Mr. Chen Zhi	陳志先生	-	600	-	-	600	
Mr. Hong Pei Feng	洪培峰先生	-	600	-	-	600	
Mr. Zhang Tie Zhu	張鐵柱先生	-	150	-	-	150	
Non-executive director:	非執行董事:						
Mr. Wang Ping	王平先生	-	-	-	-	-	
Independent Non-executive directors:	獨立非執行董事:						
Mr. Zhou Chang Ren	周昌仁先生	-	-	-	-	-	
Mr. Wong Heung Ming, Henry	黃向明先生	-	-	-	-	-	
Mr. Zhuo Ze Yuan	卓澤淵先生	-	-	-	-	-	
Total	總計	-	1,350	-	-	1,350	

During the year ended December 31, 2010, none of the directors of the Company (i) received any emolument from the Group as an inducement to join or upon joining the Group; or (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emolument (2009: nil).

There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended December 31, 2010 (2009: nil).

於截至二零一零年十二月三十一日止年度，本公司董事概無(i)收取本集團任何酬金作為加入本集團或加入本集團後的獎勵；或(ii)就離任本集團任何成員公司的董事或管理層收取任何賠償；或(iii)放棄或同意放棄任何酬金(二零零九年：無)。

於截至二零一零年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金的安排(二零零九年：無)。

Notes to the Consolidated Financial Statements
合併財務報表附註

**25 EMPLOYEE BENEFIT EXPENSES
(INCLUDING DIRECTORS'
EMOLUMENTS) (continued)**

(b) Five highest paid individuals

For the year ended December 31, 2010, the five individuals whose emoluments were the highest in the Group include 3 directors (2009: 2 directors), whose emoluments were reflected in the analysis presented above. The emoluments paid/payable to the remaining 2 individuals (2009: 3 individuals) individuals during the year ended December 31, 2010 were as follows:

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other allowances	薪金及其他補貼	144	962
Equity-based compensation expenses	以股權為基礎的薪酬開支	526	–
Discretionary bonus	酌情花紅	–	–
Social security costs	社保費用	4	7
		674	969

For the years ended December 31, 2010 and 2009, the emoluments of the highest paid individuals of the Group fall within the following bands:

		Number of individuals	
		人數	
		2010	2009
		二零一零年	二零零九年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

**25 僱員福利開支 (包括董事酬金)
(續)**

(b) 五名最高薪人士

截至二零一零年十二月三十一日止年度，本集團五名最高薪人士包括三名（二零零九年：兩名）董事，其酬金反映在上文所呈列的分析中。於截至二零一零年十二月三十一日止年度，已付／應付餘下兩名（二零零九年：三名）人士的酬金如下：

截至二零一零年及二零零九年十二月三十一日止年度，本集團最高薪人士的酬金介乎下列幅度：

Notes to the Consolidated Financial Statements

合併財務報表附註

25 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(c) Key management compensation

25 僱員福利開支(包括董事酬金) (續)

(c) 主要管理層薪酬

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	3,289	2,997
Equity-based compensation expenses	以股權為基礎的薪酬開支	5,263	–
Discretionary bonus	酌情花紅	–	–
Social security costs	社保費用	23	18
		<u>8,575</u>	<u>3,015</u>

26 FINANCE INCOME AND COSTS

26 融資收益及成本

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Finance income:	融資收益:		
– Interest income on short-term bank deposits	– 短期銀行存款的利息收入	274	46
Interest expense on:	利息開支:		
– Bank borrowings	– 銀行借款	(1,462)	(3,117)
– Other loans	– 其他貸款	–	(153)
		<u>(1,462)</u>	<u>(3,270)</u>
Finance costs – net	融資成本—淨額	<u>(1,188)</u>	<u>(3,224)</u>

Notes to the Consolidated Financial Statements
合併財務報表附註

27 INCOME TAX EXPENSES

27 所得稅開支

		2010	2009
		二零一零年	二零零九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Mainland China Enterprise Income Tax ("EIT")	中國大陸企業所得稅		
	(「企業所得稅」)		
– Current tax	– 即期稅項	24,013	24,956
– Under/(over) provision in prior years	– 就過往年度撥備不足／ (超額撥備)	342	(311)
Total income tax expenses	所得稅開支總額	24,355	24,645

The Group is not subject to Hong Kong profits tax as it has no assessable income arising in or derived from Hong Kong during the years ended December 31, 2010 and 2009.

由於本集團於截至二零一零年及二零零九年十二月三十一日止年度並未於香港產生或獲得應課稅收入，故毋須繳納香港利得稅。

Notes to the Consolidated Financial Statements

合併財務報表附註

27 INCOME TAX EXPENSES (continued)

Subsequent to the effective date of China Corporate Income Tax ("CIT") Law on January 1, 2008, Kunming HongLianXin continued to enjoy its three-year tax exemption period that commenced from January 1, 2006 with a follow-on two-year 50% tax reduction through 2010. Fuzhou HongXinTu continued to enjoy its two-year tax exemption period that commenced from January 1, 2007 with a follow-on three-year 50% tax reduction through 2011. Shifang YaQi was entitled to the grandfathering treatment where the applicable CIT rate phased-in from 18% to 25% over a period of 5 years through 2013. Xiamen DuKe accredited as an approved High and New Technology Enterprise ("HNTE") located in the High Technology Development Zone, was entitled to a two-year tax exemption period that commenced from January 1, 2008 which was included as one of the transitional preferential treatments stipulated in Circular 39. Xiamen DuKe was then re-assessed as a HNTE under the new CIT law regime and become eligible to enjoy a reduced CIT rate of 15% upon the expiry of CIT holiday in 2009.

27 所得稅開支 (續)

於中國企業所得稅(「中國企業所得稅」)法生效日期二零零八年一月一日後，昆明弘聯欣於二零一零年全年繼續享受其自二零零六年一月一日開始的三年稅項豁免期，其後兩年的稅項減半。福州鴻馨圖於二零一一年全年繼續享受其自二零零七年一月一日開始的兩年稅項豁免期，其後三年的稅項減半。十方亞祺有權享有豁免待遇，其適用中國企業所得稅率直至二零一三年止五年期間逐步採用18%至25%的稅率。作為第39號通知所規定過渡優惠待遇之一，廈門讀客評為位於高技術開發區的高新技術企業(「高新技術企業」)，有權享受由二零零八年一月一日起的兩年稅項豁免期。隨後廈門讀客根據新中國企業所得稅法制度獲重新評定為高新技術企業，將合資格於二零零九年中國企業所得稅豁免期屆滿後享受15%的減免中國企業所得稅率。

Notes to the Consolidated Financial Statements 合併財務報表附註

27 INCOME TAX EXPENSES (continued)

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

27 所得稅開支 (續)

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體的溢利的加權平均稅率計算的理論金額之間的差額如下：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	<u>185,435</u>	<u>165,425</u>
Tax calculated at domestic rates applicable to profits of the entities in the respective jurisdictions	按適用於各個司法權區實體溢利的地方稅率計算的稅項	46,568	39,993
Tax effects of:	以下項目的稅項影響：		
– Income not subject to tax	– 毋須繳稅收入	(385)	(36)
– Expenses not deductible for tax purposes	– 不可扣稅開支	557	515
– Tax losses for which no deferred income tax asset was recognised	– 未確認遞延所得稅資產的稅務虧損	1,462	119
– Utilisation of previously unrecognised tax losses	– 動用過往未確認稅項虧損	–	(1,039)
– Effect of tax holiday	– 稅項豁免期的影響	(24,189)	(14,639)
– Under/(over) provision in prior years income tax expenses	– 過往年度所得稅開支撥備不足／(超額撥備)	342	(311)
– Others	– 其他	–	43
		<u>24,355</u>	<u>24,645</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

27 INCOME TAX EXPENSES (continued)

The effective tax rate was 13.1% (2009: 14.9%) for the year ended December 31, 2010.

28 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended December 31, 2010 and 2009 is calculated by dividing the profit attributable to the equity holders of the Company by the deemed weighted average number of ordinary shares in issue during the year.

The number of ordinary shares used for the calculation of earnings per share for the year ended December 31, 2009, is the aggregate number of shares which are outstanding as at January 18, 2010 which included the ordinary shares issued as part of the Reorganisation of the Group as disclosed in Note 1.

27 所得稅開支 (續)

截至二零一零年十二月三十一日止年度的實際稅率為13.1% (二零零九年: 14.9%)。

28 每股溢利

(a) 基本

截至二零一零年及二零零九年十二月三十一日止年度的每股基本溢利乃按本公司權益持有人應佔溢利除以年內視作已發行普通股加權平均數計算。

用於計算截至二零零九年十二月三十一日止年度每股溢利的普通股數目為於二零一零年一月十八日已發行股份數目總額，其已包括附註1所披露為籌備上市進行的重組一部分而發行的普通股。

		2010 二零一零年	2009 二零零九年
Profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔溢利 (人民幣千元)	<u>161,095</u>	<u>140,819</u>
Weight average number of shares in issue (thousands)	已發行股份加權平均數 (千股)	<u>563,666</u>	<u>549,123</u>
Basic earnings per share (RMB per share)	每股基本溢利 (每股人民幣)	<u>0.2858</u>	<u>0.2564</u>

Notes to the Consolidated Financial Statements 合併財務報表附註

28 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2010, the Company's share options issued under the pre-IPO share option was the sole category of dilutive potential ordinary shares.

		2010 二零一零年	2009 二零零九年
Profit attributable to the equity holders of the Company (RMB '000)	本公司權益持有人應佔溢利 (人民幣千元)	<u>161,095</u>	<u>140,819</u>
Weighted average number of ordinary shares issued (thousands)	已發行普通股加權平均數 (千股)	<u>563,666</u>	549,123
Adjustment for share option (thousands)	購股權調整(千股)	<u>6,796</u>	—
Weighted average number of ordinary shares issued for diluted earning per share (thousands)	用於計算每股攤薄溢利的已發行普通股加權平均數 (千股)	<u>570,462</u>	<u>549,123</u>
Diluted earnings per share (RMB per share)	每股攤薄溢利 (每股人民幣)	<u><u>0.2824</u></u>	<u><u>0.2564</u></u>

29 DIVIDEND

No dividend has been declared by the Company since its incorporation.

28 每股溢利(續)

(b) 攤薄

每股攤薄溢利乃按調整已發行普通股的加權平均數以假設所有具潛在攤薄影響的普通股獲兌換計算。截至二零一零年十二月三十一日止年度，本公司根據首次公開發售前購股權發行的購股權為具潛在攤薄影響的普通股的唯一類別。

29 股息

本公司自註冊成立以來概無宣派股息。

Notes to the Consolidated Financial Statements

合併財務報表附註

30 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash generated from operation

30 現金流量表附註

(a) 經營所得現金

			2010	2009
			二零一零年	二零零九年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Profit before income tax	除所得稅前溢利		185,435	165,425
Adjustments for:	調整：			
Depreciation	折舊	7	6,081	5,292
Amortisation	攤銷	9	601	565
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	30(b)	60	17
Provision for impairment of trade receivables	貿易應收款項減值撥備	10	5,438	858
Finance income	融資收益	26	(274)	(46)
Finance costs	融資成本	26	1,462	3,270
Equity-based compensation expenses	以股權為基礎的薪酬開支	25	5,263	-
Changes in working capital:	營運資金變動：			
- Trade receivables	- 貿易應收款項		(112,728)	(50,396)
- Inventories	- 存貨		(1,333)	(1,981)
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收款項		(16,569)	(53,261)
- Amounts due from related parties	- 應收關連人士款項		19,533	(10,767)
- Trade payables	- 貿易應付款項		442	(22,610)
- Other payables and accrued expenses	- 其他應付款項及應計開支		(6,015)	19,795
- Amounts due to related parties	- 應付關連人士款項		(1,704)	3,270
Cash generated from operations	經營所得現金		85,692	59,431

Notes to the Consolidated Financial Statements 合併財務報表附註

30 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Disposal of property, plant and equipment

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

		2010 二零一零年	2009 二零零九年
Net book amount (Note 7)	賬面淨額(附註7)	211	20
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<u>(60)</u>	<u>(17)</u>
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<u>151</u>	<u>3</u>

31 COMMITMENTS

Operating lease commitments – Group

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2010 二零一零年	2009 二零零九年
Not later than 1 year	一年以下	2,874	3,168
Later than 1 year and not later than 5 years	一年以上及五年以下	12,095	9,790
Later than 5 years	五年以上	<u>1,788</u>	<u>6,937</u>
		<u>16,757</u>	<u>19,895</u>

30 現金流量表附註(續)

(b) 出售物業、廠房及設備

現金流量表中出售物業、廠房及設備的所得款項包括：

31 承擔

經營租約承擔—本集團

不可撤銷經營租約項下的未來最低租賃付款總額如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

- (a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010:

Name
名稱

Mr. Chen Zhi
陳志先生

Fujian JinDi Mining Industry Co., Ltd.
福建金地礦業有限公司

Fujian ShiFang Digital Technology Co., Ltd.
福建十方數碼技術有限公司

Relationship with the Group
與本集團的關係

Executive director of the Company/Chief Executive Officer of the Group
本公司執行董事／本集團首席執行官

Controlled by the Chief Executive Officer of the Group
由本集團首席執行官控制

Controlled by the Chief Executive Officer of the Group
由本集團首席執行官控制

32 關連人士交易

就合併財務報表而言，倘某人士有能力在本集團作出財務及經營決策時直接或間接對本集團施加重大影響，該人士即被認為是與本集團有關聯（反之亦然）。關連人士可以是個人（主要管理人員、主要股東及／或彼等的近親）或其他公司。倘本集團的關連人士為個人，則關連人士亦包括受到關連人士重大影響的公司。倘有關公司受到共同控制，亦被認為是關連人士。

- (a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

(a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

TopBig International
昇平國際發展有限公司

Controlled by the Chief Executive Officer of the Group
由本集團首席執行官控制

Shenyang Si Ling Ling Gou Trading Co., Ltd.
瀋陽四零零購商貿有限公司

Controlled by the Chief Executive Officer of the Group
from November 27, 2009 to June 18, 2010
於二零零九年十一月二十七日至二零一零年六月十八日
由本集團首席執行官控制

Guangxi Nanning Ha Le Tao Trading Co., Ltd.
廣西南寧哈樂淘商貿有限公司

Controlled by the Chief Executive Officer of the Group
from December 22, 2009 to June 18, 2010
於二零零九年十二月二十二日至二零一零年六月十八日
由本集團首席執行官控制

Beijing Ha Le Tao Electronic Trading Co., Ltd.
北京哈樂淘電子商務有限公司

Controlled by the Chief Executive Officer of the Group
from September 3, 2009 to June 18, 2010
於二零零九年九月三日至二零一零年六月十八日由本集
團首席執行官控制

Fuzhou Development Zone
Xuanhua Industry & Trade Co., Ltd.
福州開發區玄嘩工貿有限公司

Controlled by a close family of a director of the
Company
由本公司一名董事的近親控制

32 關連人士交易 (續)

(a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

- (a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

Mr. Qiang Yibing
強亦彬先生

A close family member of a director of the Company
本公司一名董事的近親

Fujian Jinyi Asia Paper Co., Ltd.
福建金宜亞洲紙業有限公司

Controlled by a close family member of a director of the Company
由本公司一名董事的近親控制

Mr. Li Gang
李剛先生

Key management of the Group
本集團主要管理人員

Mr. Xu Kaining
許開寧先生

Key management of the Group
本集團主要管理人員

Xiamen Hongnian Venture
Investment Co., Ltd.
廈門宏年創業投資有限公司

Controlled by a director of the Company
由本公司一名董事控制

Shenzhen Longbai Investment and
Management Co., Ltd.
深圳市龍柏投資管理有限公司

Controlled by a director of the Company
由本公司一名董事控制

32 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

(a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

Shenzhen Zhongke Hongyi Venture
Investment Management Co., Ltd.
深圳市中科宏易創業投資管理有限公司

Controlled by a director of the Company
由本公司一名董事控制

Quan Zhou Shifang
Advertising Company Ltd.
泉州十方廣告有限公司

Controlled by the Chief Executive Officer of the Group
由本集團首席執行官控制

Mr. Hong Peifeng
洪培峰先生

Executive director of the Company
本公司董事

Mr. Zhang Tiezhu
張鐵柱先生

Director of the Company/Chief Financial Officer of the
Group.
本公司董事／本集團首席財務官

China TopReach
中國天瑞

Immediate holding company
直接控股公司

Xiamen Zhishang Trading Co., Ltd.
廈門至上商貿有限公司

Controlled by a close family member of a director of the
Company
由本公司一名董事的近親控制

32 關連人士交易 (續)

(a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：(續)

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

- (a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010: (continued)

Name 名稱	Relationship with the Group 與本集團的關係
Xiamen YuanTong Communication Co., Ltd 廈門元通傳播有限公司	Controlled by a close family member of a director of the Company 由本公司一名董事的近親控制
Xiamen Yuanliu Cultural Communication Co., Ltd. 廈門遠流文化傳播有限公司	Controlled by a member of key management of the Group until August 20, 2010 於二零一零年八月二十日前由本集團主要管理人員控制
Ms. Zheng Shouling 鄭守齡女士	Spouse of the Chief Executive Officer of the Group 本集團首席執行官的配偶
Mr. Chen Ziquan 陳梓泉先生	Key management of the Group 本集團主要管理人員
Fuzhou Yaqi Art Originality Co. Ltd. 福州亞祺藝術創意有限公司	Controlled by a member of key management of the Group until August 18, 2010 於二零一零年八月十八日前由本集團主要管理人員控制

32 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：(續)

Notes to the Consolidated Financial Statements 合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

- (a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended December 31, 2010: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

Mr. Qin Guo Jun
秦國君先生

A significant shareholder of a subsidiary of the Group
本集團一家附屬公司的主要股東

Mr. Zhu Sheng Nan
祝勝楠先生

A significant shareholder of a subsidiary of the Group
本集團一家附屬公司的主要股東

Shenyang Jinyutang Real Estate
Agency Co., Ltd.
瀋陽金玉堂房地產代理有限公司

Controlled by a significant shareholder of a subsidiary of
the Group
由本集團一家附屬公司的主要股東控制

The above names of certain related parties companies represented the best effort by management of the Company in translating their Chinese names as they do not have official English names.

32 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一零年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：(續)

上列若干關連人士公司的英文名稱由本公司管理層以其中文名稱盡力翻譯而提供，原因是有關公司並無正式英文名稱。

Notes to the Consolidated Financial Statements 合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

(b) Transactions with related parties:
The following transactions were undertaken by the Group with related parties during the year ended December 31, 2010:

(i) Continuing transactions

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Key management compensation (Note 25(c))	主要管理人員薪酬 (附註25(c))	<u>8,575</u>	<u>3,015</u>

(ii) Non-continuing transactions

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Newspaper advertising and online services revenue from related parties:	來自關連人士的報紙廣告及 網絡服務收益：		
Companies controlled by a close family member of a director	董事的近親所控制的 公司	-	1,590
Company controlled by a member of key management of the Group	本集團主要管理人員 所控制的公司	1,023	2,931
Company controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的 公司	2,959	2,087
		<u>3,982</u>	<u>6,608</u>

32 關連人士交易 (續)

(b) 與關連人士進行的交易：
本集團於截至二零一零年十二月三十一日止年度與關連人士進行以下交易：

(i) 持續交易

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Key management compensation (Note 25(c))	主要管理人員薪酬 (附註25(c))	<u>8,575</u>	<u>3,015</u>

(ii) 非持續交易

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Newspaper advertising and online services revenue from related parties:	來自關連人士的報紙廣告及 網絡服務收益：		
Companies controlled by a close family member of a director	董事的近親所控制的 公司	-	1,590
Company controlled by a member of key management of the Group	本集團主要管理人員 所控制的公司	1,023	2,931
Company controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的 公司	2,959	2,087
		<u>3,982</u>	<u>6,608</u>

Notes to the Consolidated Financial Statements 合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

(b) Transactions with related parties: (continued)

(ii) Non-continuing transactions (continued)

The transactions with related parties were conducted in accordance with commercial terms mutually agreed between the Group and the respective related parties.

The amounts below represented expenses paid by the Group on behalf of China TopReach.

32 關連人士交易 (續)

(b) 與關連人士進行的交易：(續)

(ii) 非持續交易 (續)

與關連人士進行的交易乃按照本集團與各關連人士相互協定的商業條款進行。

以下款項指本集團代表中國天瑞支付的開支。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Expenses paid on behalf of related party:	代表關連人士所付開支：		
Immediate holding company	直接控股公司	3,519	9,319
		3,519	9,319

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

- (c) Balances with related parties:
The Group had the following material trade and non-trade balances with related parties:

32 關連人士交易 (續)

- (c) 與關連人士存有的結餘：
本集團與關連人士存有以下重大貿易及非貿易結餘：

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amount due (to)/from immediate holding company – non-trade	(應付)／應收直接控股公司款項－非貿易	(1,731)	12,891
Amounts due from related parties – trade	應收關連人士款項－貿易		
Companies controlled by a close family of a director of the Company	本公司一名董事的近親所控制的公司	12,000	14,614
Companies controlled by a member of key management of the Group	本集團主要管理人員所控制的公司	–	1,293
Company controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的公司	–	1,403
		12,000	17,310
Amounts due from related parties – non-trade	應收關連人士款項－非貿易		
Companies controlled by a member of key management of the Group	本集團主要管理人員所控制的公司	–	798
Spouse of the Chief Executive Officer of the Group	本集團首席執行官的配偶	663	879
Key management of the Group	本集團的主要管理人員	1,334	1,767
A former director of a subsidiary until September 1, 2008	一間附屬公司的前任董事（直至二零零八年九月一日）	23	23
Company controlled by the chief executive officer of the Group	本集團首席執行官所控制的公司	115	–
		2,135	3,467
		14,135	20,777

Notes to the Consolidated Financial Statements 合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

- (c) Balances with related parties: (continued)
For the year ended December 31, 2010, no outstanding balance was due from any director (2009: Nil).

32 關連人士交易 (續)

- (c) 與關連人士存有的結餘：(續)
截至二零一零年十二月三十一日止年度，概無應收任何董事的結餘尚未償還（二零零九年：無）。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amounts due to directors:	應付董事款項：		
Mr. Chen Zhi	陳志先生	151	194
Mr. Hong Peifeng	洪培峰先生	1,641	1,030
Mr. Zhang Tiezhu	張鐵柱先生	141	150
Others	其他	40	—
		1,973	1,374

The balances with directors are unsecured, interest-free and are repayable on demand.

與董事存有的結餘為無抵押、免息及應要求償還。

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amounts due to related parties:	應付關連人士款項：		
Short-term borrowings	短期借款		
Companies controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的公司	157	36,847

Borrowings from companies controlled by the Chief Executive Officer of the Company are unsecured, interest-free and they are used to finance daily operations.

來自本公司首席執行官所控制公司的借款為無抵押、免息及用作日常營運資金。

Notes to the Consolidated Financial Statements

合併財務報表附註

32 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties: (continued)

32 關連人士交易 (續)

(c) 與關連人士存有的結餘：(續)

		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Amounts due to related parties – non-trade	應付關連人士款項 – 非貿易		
Companies controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的公司	69	329
Companies controlled by a close family member of a director of the Company	本公司一名董事的近親所控制的公司	312	316
Companies controlled by a director of the Company	本公司一名董事所控制的公司	861	20,000
Key management of the Group	本集團主要管理人員	40	–
Significant shareholders of subsidiaries of the Group	本集團附屬公司主要股東	–	2,240
Company controlled by a significant shareholder of the Group	本集團一名主要股東所控制的公司	–	1,210
		1,282	24,095
		1,439	60,942

All the above balances were unsecured, non-interests bearing and repayable on demand.

所有上述結餘為無抵押、免息及應要求償還。

Notes to the Consolidated Financial Statements

合併財務報表附註

33 RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The total contributions incurred in this connection for the year ended December 31, 2010 were approximately RMB1,764,000 (2009: RMB1,333,000). No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

34 CONTINGENCIES

Save as disclosed elsewhere in this report, the Group and the Company had no other significant contingent liabilities at December 31, 2010 and 2009.

33 退休福利計劃

本集團在中國成立的附屬公司的僱員參與地方市政府營辦的中央退休金計劃。有關附屬公司須按僱員的基本薪金及工資的一定百分比向中央退休金計劃供款，以撥付退休福利。地方市政府承諾承擔有關附屬公司的所有現有及未來退休僱員的退休福利責任。有關附屬公司就中央退休計劃的唯一責任是根據計劃作出必要供款。

截至二零一零年十二月三十一日止年度，就此產生的供款總額約為人民幣1,764,000元（二零零九年：人民幣1,333,000元）。概無沒收供款可用作減少未來年度本集團應付供款。

34 或然負債

除本報告其他部分所披露者外，於二零一零年及二零零九年十二月三十一日，本集團及本公司概無任何其他重大或然負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 STOCK OPTIONS SCHEME

(a) Pre-IPO Share Option Scheme

Pursuant to a resolution in writing passed by all the shareholders of the Company on February 26, 2010, the Company conditionally approved and adopted a Pre-IPO Option Scheme (the "Pre-IPO Option Scheme"). By the same resolution, the Company granted 27,456,156 share options to its directors and employees which are exercisable under the following terms:

- (i) The exercise price of the option should not be less than 100% of the fair market value of the shares as at the grant date as determined by valuer appointed by the Company;
- (ii) 40% of total options granted become exercisable a year after grant date, another 30% also become exercisable 2 years after grant date and remaining 30% become exercisable 3 years after grant date

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense, with a corresponding adjustment to equity-based compensation reserves, over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. For the year ended December 31, 2010, the equity-based compensation expenses amounted to RMB 5,263,000 (2009: nil).

35 購股權計劃

(a) 首次公開發售前購股權計劃

根據本公司全體股東於二零一零年二月二十六日通過的書面決議案，本公司有條件批准及採納首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）。根據該決議案，本公司向其董事及僱員授予27,456,156份購股權，該等購股權可按下列條款予以行使：

- (i) 購股權行使價不得低於本公司委聘的估值師釐定股份於授出日期公允市值的100%；
- (ii) 已授出購股權總數的40%可於授出日期1年後行使，另外30%可於授出日期2年後行使，餘下30%則可於授出日期3年後行使。

授出購股權換取的僱員服務的公允價值於歸屬期內確認為開支，並於以股權為基礎的薪酬儲備作相應調整。於各報告期末，本公司修訂其對預期將予歸屬購股權數目的估計，在全面收益表確認修訂原先估計的影響（如有），並對權益作出相應調整。截至二零一零年十二月三十一日止年度，以股權為基礎的薪酬開支為人民幣5,263,000元（二零零九年：無）。

Notes to the Consolidated Financial Statements 合併財務報表附註

35 STOCK OPTIONS SCHEME (continued) (a) Pre-IPO Share Option Scheme (continued)

Each share option gives the holder the right to subscribe for one ordinary share of the Company.

- (i) Movement of Pre-IPO Share Option Scheme during the period as follows:

		Exercise Price 行使價 (HK\$) (港元)	Number of Option 購股權數目
At January 1, 2010	於二零一零年一月一日	-	-
Granted on February 26, 2010	於二零一零年二月二十六日授出	<u>1.82</u>	<u>27,456,156</u>
At December 31, 2010	於二零一零年十二月三十一日	<u>1.82</u>	<u>27,456,156</u>

As at December 31, 2010, no options were exercisable. All of the outstanding share options will be expired by December 2, 2014.

The weighted average fair value per share option granted during the period is determined by using the binomial option pricing model and it was HK\$0.57 per option. The significant inputs into the Binomial option pricing model in determining the fair value of the share options granted by the Company are: the fair market value at the grant date of HK\$1.79 per option, exercise price of HK\$1.82, volatility of 40.66%, expected option life of 4.4 years, dividend yield of 0%, and risk-free annual interest rate of 1.493%. Expected volatility is estimated to be based on historical volatility of the comparable companies over the period that has the same length as the expected life of each grant.

35 購股權計劃 (續) (a) 首次公開發售前購股權計劃 (續)

每份購股權賦予持有人認購本公司一股普通股的權利。

- (i) 首次公開發售前購股權計劃於期內的變動如下：

於二零一零年十二月三十一日，概無購股權可供行使。所有尚未行使的購股權將於二零一四年十二月二日期滿。

期內按二項式期權定價模型釐定已授出每份購股權的加權平均公允價值為0.57港元。在釐定本公司所授出購股權的公允價值時，二項式期權定價模型所用的重要輸入值為：授出日期之公允市值每份購股權1.79港元、行使價1.82港元、波幅40.66%、預期購股權有效期4.4年、派息率0%及無風險年息率1.493%。預期波幅乃根據可資比較公司於長短與各次授出購股權的預期年期相同的期間的過往波幅估計得出。

Notes to the Consolidated Financial Statements 合併財務報表附註

35 STOCK OPTIONS SCHEME (continued) (a) Pre-IPO Share Option Scheme (continued)

		Held at 31 December 2009 於二零零九年 十二月三十一日 持有	Granted during the period 於期內授出	Held at 31 December 2010 於二零一零年 十二月三十一日 持有	Grant date 授出日期	Expiry date 到期日
Directors	董事	-	23,063,171	23,063,171	Feb 26, 2010 二零一零年 二月二十六日	Dec 2, 2014 二零一四年 十二月二日
Other employees	其他僱員	-	4,392,985	4,392,985	Feb 26, 2010 二零一零年 二月二十六日	Dec 2, 2014 二零一四年 十二月二日
		-	27,456,156	27,456,156		

(b) Share Option Scheme

Pursuant to the resolutions in writing passed by the shareholders of the Company on November 8, 2010, the Company adopted a share option scheme on November 8, 2010 ("Share Option Scheme"). The purpose of the Share Option Scheme is to provide incentive or reward to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any Directors (whether executive or non-executive, including any independent non-executive Director) of the Company or any of its subsidiaries; or (iii) any advisors, consultants suppliers, customers and agents to the Company or any subsidiaries (each "Eligible Person").

35 購股權計劃 (續) (a) 首次公開發售前購股權計劃 (續)

(b) 購股權計劃

根據本公司股東於二零一零年十一月八日通過的書面決議案，本公司於二零一零年十一月八日採納購股權計劃（「購股權計劃」）。購股權計劃旨在獎勵或回饋(i)本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；(ii)本公司或其任何附屬公司的任何董事（執行或非執行董事，包括獨立非執行董事）；或(iii)本公司或其任何附屬公司的任何顧問、諮詢人士、供應商、客戶及代理（各為「合資格人士」）。

Notes to the Consolidated Financial Statements 合併財務報表附註

35 STOCK OPTIONS SCHEME (continued)

(b) Share Option Scheme (continued)

The Board of Directors may, at any time within 10 years after the date of approval of the Share Option Scheme, make an offer to grant options to any Eligible Person. The subscription price for shares granted pursuant to the Share Option Scheme shall be determined by the Board of Directors in its absolute discretion 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 offer;
- (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; and
- (iii) the nominal value of shares of the Company.

The total number of Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the total number of shares in issue as at the Listing Date, 73,216,512 Shares, without prior approval from the shareholders of the Company. The maximum number of shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time. The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme to each Eligible Person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

35 購股權計劃 (續)

(b) 購股權計劃 (續)

董事會可於購股權計劃獲批准當日後十年內隨時向任何合資格人士提呈授出購股權。根據購股權計劃授出的股份認購價由董事會全權酌情釐定，且不得低於下列各項的最高者：

- (i) 股份於提呈授出購股權當日在聯交所每日報價表所報的收市價；
- (ii) 股份於緊接提呈授出購股權當日前五個營業日在聯交所每日報價表所報的平均收市價；及
- (iii) 本公司股份的面值。

如未經本公司股東事先批准，根據購股權計劃可授出的購股權涉及股份總數不得超過於上市日期已發行股份總數的10%（即73,216,512股股份）。行使根據購股權計劃及本公司任何其他購股權計劃授出但尚待行使的所有未行使購股權而可發行的股份數目上限，不得超過本公司不時已發行股本的30%。於任何12個月期間行使根據購股權計劃授予每名合資格人士的所有購股權（包括已行使、已註銷及未行使的購股權）而發行及將予發行的股份總數，不得超過本公司已發行股份總數的1%。凡進一步授出超過此上限的購股權均須經股東於股東大會上批准。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 STOCK OPTIONS SCHEME (continued)

(b) Share Option Scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, if shares issued and to be issued upon exercise of all options granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent nonexecutive director of the Company, or any of their associates, in any 12-month period (i) represent in aggregate more than 0.1% of the total number of shares in issue, and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5,000,000, the proposed grant of option must be approved by the shareholders of the Company in a general meeting.

The amount payable on acceptance of an option is RMB1.00. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. There is no minimum period for which an option must be held before the exercise of the option except otherwise imposed by the board of Directors.

As at 31 December 2010, no share option had been granted under the Share Option Scheme.

36 SUBSEQUENT EVENTS

On February 22, 2011, the Group repaid RMB50 million of bank borrowings, using its own cash and cash equivalents.

35 購股權計劃 (續)

(b) 購股權計劃 (續)

凡向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權，均須經本公司獨立非執行董事預先批准。此外，倘在任何12個月內，於根據購股權計劃向參與者（屬本公司主要股東或獨立非執行董事）或彼等任何聯繫人授出的所有購股權（包括已獲行使、已註銷及未獲行使的購股權）獲行使後發行及將予發行的股份(i)合共超過已發行股份總數0.1%，及(ii)按於每個授出日期本公司股份收市價計算的總值超過5,000,000港元，則建議授出購股權須經本公司股東於股東大會上批准。

於接納購股權時應付的金額為人民幣1.00元。根據購股權計劃授出的任何購股權的行使期不得超過相關購股權授出當日起計10年。購股權於獲行使前並無須持有的最短期限，惟董事會另有施加者則作別論。

截至二零一零年十二月三十一日，並無根據購股權計劃授出任何購股權。

36 報告期後事項

於二零一一年二月二十二日，本集團以其現金及現金等值項目償還銀行借款人民幣50百萬元。

