



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 curved shapes in various shades of orange and red, creating a sense of motion and depth. The shapes are layered, with some appearing in front of others, and they curve around the bottom of the page.

Annual Report 年報

2011

Contents 目錄

Corporate Information	公司資料	2
Financial Highlights and Summary	財務摘要及概要	5
Chairman's Statement	主席報告書	7
Management Discussion and Analysis	管理層討論及分析	10
Directors and Senior Management Profile	董事及高級管理層履歷	36
Directors' Report	董事會報告	46
Corporate Governance Report	企業管治報告	67
Independent Auditor's Report	獨立核數師報告	76
Consolidated Balance Sheet	合併資產負債表	79
Balance Sheet	資產負債表	81
Consolidated Statement of Comprehensive Income	合併全面收益表	83
Consolidated Statement of Changes in Equity	合併權益變動表	84
Consolidated Statement of Cash Flows	合併現金流量表	85
Notes to the Consolidated Financial Statements	合併財務報表附註	86

Corporate Information 公司資料

DIRECTORS

Executive Directors

Mr. Chen Zhi
Mr. Hong Pei Feng
Mr. Zhang Tie Zhu
Mr. Yu Shi Quan

Non-executive Director

Mr. Wang Ping
Ms. Chen Min

Independent non-executive Directors

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

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
余詩權先生

非執行董事

王平先生
陳敏女士

獨立非執行董事

周昌仁先生
黃向明先生
卓澤淵先生
蔡建權先生

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

Corporate Information 公司資料

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

As to Hong Kong and U.S. law:

DLA Piper Hong Kong

As to PRC law:

Grandall Law Firm (Fuzhou)

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

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：

國浩律師（福州）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				
		2011 二零一一年 RMB'000 人民幣千元	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	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Revenues	收入	529,034	529,940	462,967	361,706	151,189
Gross profits	毛利	266,305	255,796	219,877	130,204	59,141
Operating profits	經營溢利	82,041	186,623	168,649	93,945	40,705
Profit/(loss) attributable to:	以下各項應佔溢利/ (虧損):					
(i) Equity holders of the Company	(i) 本公司權益持有人	52,978	161,095	140,819	79,775	31,588
(ii) Non-controlling interests	(ii) 非控股權益	6,043	(15)	(39)	(545)	572
Earnings per share – Basic (RMB cents)	每股溢利—基本(人民幣分)	0.0727	0.2858	0.2564	0.1453	0.0575

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2011 二零一一年 RMB'000 人民幣千元	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	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Total assets	總資產	1,414,639	1,285,003	499,588	364,599	245,655
Total debt	總債項	49,685	54,764	84,107	103,477	77,587
Total liabilities	總負債	258,589	213,417	197,808	203,599	167,885
Equity attributable to:	以下各項應佔權益:					
(i) Equity holders of the Company	(i) 本公司權益持有人	1,119,045	1,071,114	301,293	160,474	76,699
(ii) Non-controlling interests	(ii) 非控股權益	37,005	472	487	526	1,071

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				
		2011	2010	2009	2008	2007
		二零一一年	二零一零年	二零零九年	二零零八年	二零零七年
Gross profits margins:	毛利率：					
(i) Overall	(i) 整體	50.3%	48.3%	47.5%	36.0%	39.1%
(ii) Newspaper advertising	(ii) 報紙廣告	41.9%	41.9%	40.1%	30.4%	29.9%
(iii) Marketing, distribution management, consulting and printing services	(iii) 營銷、分銷管理、諮詢及印刷服務	63.4%	56.2%	61.9%	62.8%	58.3%
(iv) Online services	(iv) 網絡服務	92.2%	91.2%	92.2%	96.6%	91.5%
(v) Television and radio advertising	(v) 電視及電台廣告	(174.1%)	14.8%	-	-	-
Operating margins	經營利潤率	15.5%	35.3%	36.4%	26.0%	26.9%
Net margins	淨利潤率	11.2%	30.4%	30.4%	21.9%	21.3%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	5.1%	15.0%	46.6%	49.2%	41.4%
Return on asset ⁽²⁾	資產回報率 ⁽²⁾	4.2%	12.5%	28.2%	21.7%	13.1%
Trade receivables turnover (days)	貿易應收款項週轉率(日)	177	141	106	84	71
Trade payables turnover (days)	貿易應付款項週轉率(日)	6	5	23	42	141
Gearing ratio	資本負債比率	3.5%	4.3%	16.8%	28.4%	31.6%

Note

附註

(1): Return on equity is calculated based on profit for the year divided by total equity.

(1)：股本回報率按年內溢利除以權益總額計算。

(2): Return on assets is calculated based on profit for the year divided by total assets.

(2)：資產回報率按年內溢利除以總資產計算。

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 2011, the economy of China was inevitably affected by the slow recovery of the global economy and the debt crisis spreading in Europe. Various industries, including the real estate sector, suffered from the macro-economic control measures implemented to curb inflation. In consequence, the growth of the advertising market in China slowed down as a whole, with growth in newspaper advertising of only 11%. Notwithstanding the challenging external operating environment, ShiFang Holding Limited (the "Company") and its subsidiaries (the "Group") has continued to explore its technological research and development and advertising business with its integrated multimedia advertising platform focusing on newspapers during the year, and achieved revenue from core operations comparable to that for 2010.

During the year, the Group persistently improved its external and internal management. In respect of internal management, the Group greatly strengthened its structural adjustment by streamlining the structure of each business, namely the print media segment, new media segment and the investment holding and asset management segment, thereby improving their coordination and accountability. On the external side, the Group not only strengthened its existing cooperation with the partners, but also made selective investment and divestment.

二零一一年，全球經濟復蘇放緩，歐洲債務危機蔓延，而中國經濟也受到一定程度的波及，並在通脹影響下實施一系列宏觀調控政策，包括房地產行業在內也受到一定影響。而受連帶效應影響，中國整體廣告市場發展有所放緩，報紙廣告僅增長11%。儘管年內的營運外部環境充滿挑戰，但十方控股有限公司（「本公司」）及其附屬公司（「本集團」）透過基於報紙為主的多媒體綜合廣告業務平台，繼續推進新媒體業務的技術研發和廣告發展，實現主營業務收入與二零一零年基本持平。

年內，本集團不斷加強其內外部的管理：內部方面，本集團積極加強其結構調整，將相關事業部成立子集團，分別為紙媒子集團、新媒體子集團、投資控股資產管理子集團，加強直系管理及責任管理；外部方面，本集團在不斷穩定目前與各大機構合作的同時，也有選擇性的「進」和「退」，包括與雲南昆明五華科技產業園的合作、與《廈門日報》、《廈門晚報》、《城市生活信報》和《電視朋友》達成夥伴關係，進一步

Chairman's Statement

主席報告書

The Group's investments included cooperation with Wuhua Technology Park in Kunming, Yunnan, and partnerships with *Xiamen Daily*, *Xiamen Evening News*, *City Lifestyle Weekly* and *TV Friends*, which helped the Group extending its presence further in the Chinese market. In particular, the partnership with *City Lifestyle Weekly* marked the success of the Group's participation in the structural reform of its publications (excluding current and political affairs). In addition to investments, the Group also made disinvestments in order to safeguard the interests of the shareholders and the Company. In view of the Group's internal resources and the prevailing operating environment, it voluntarily gave up the renewal of its real estate industry agency contracts with *Dalian Daily* and Dalian Television Station. The Group also initiated legal proceedings against Shenyang Media Corporation in order to adopt an active stance after its unilateral termination of the cooperation arrangement with the Group.

Furthermore, the Group is fully aware of the fierce competition faced by the conventional media as well as the enormous technological and application potential of the new media. As a result, in addition to maintaining the growth of its existing businesses, it also established a new media segment that covers research and development, operations and liaison with advertisers with the aim of furthering its new media operation. The Group continued to perfect Duk, its digital publication platform, by

拓展本集團在中國市場的覆蓋版圖，而《城市生活信報》更是中國非時政類報刊轉企改制的合作成果之一。除了「進」，本集團也有「退」，是為了保護股東和公司的利益：考慮到內部資源和經營環境的因素，主動放棄了與《大連日報》和大連電視台房地產行業代理合約專案的續約權；在瀋陽傳媒公司單方面解除與本集團的合作之後，本集團反退為進，已向瀋陽傳媒公司展開法律訴訟程式。

此外，本集團深刻意識到傳統媒體所面對的激烈競爭，新媒體技術及應用的蓬勃發展潛力。因此，本集團在維持現有業務穩定發展的同時，不斷發展新媒體業務，特此成立新媒體子集團，覆蓋新媒體業務的研發、應用及廣告客戶開發。本集團持續完善數碼出版平台讀客網，以清晰的商業模式，重點致力於以原創小說為主的閱讀領域的拓展，網絡與傳統文學並舉。此外，本



Chairman's Statement 主席報告書

adopting a clear business model that focuses on expanding the variety of reading items from original novels to both network and traditional literature. Moreover, the Group has also focused on the development of end-market wireless mobile reading platforms for Duk, and launched reader software compatible with operating systems such as iPhone, iPad and Android. Meanwhile, the Group unremittingly sought the integration of conventional media content, new media and new technologies, which included the operation of various online platforms in Kunming, Yunnan in conjunction with *Lifestyle Express*, a major media group in the city. The Group's aim is to achieve comprehensive coverage by introducing the most relevant mobile phone applications in the coming year.

Looking forward to 2012, China is expected to continue to stimulate domestic consumption in tandem with the global economic recovery. The Group anticipates that the Chinese media and advertising industries will maintain a stable growth amid severe competition. Therefore, the Group will continue to reinforce its position as a leading comprehensive service provider for print media, and will strengthen its diversified cooperation with print and other media in different cities. The technological development and growth of its new media business will also be accelerated. The Group will publicize the direct effect of advertising via new media on the consumers, reap the benefits from the growth of the industry, offer increasingly direct and effective advertising services for its customers and create long-term value for its shareholders and business partners.

Last but not least, on behalf of the board of directors, I would like to thank the management and all staff for their efforts and selfless contributions. I would also like to express my sincere gratitude to the valued shareholders, customers and business partners for their trust and unceasing support.

Chen Zhi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 2012

集團也在重點發展讀客網無線移動終端閱讀平台，同時推出以iPhone、iPad和Android等作業系統為平台的閱讀用戶端軟體。與此同時，本集團不斷將傳統媒體內容與新媒體、新技術相整合，包括與雲南昆明主流媒體《生活新報》在昆明運營網絡平台，著力打造全方位的媒體覆蓋範圍，並預計在今年拓展至手機應用平台。

展望二零一二年，隨著全球經濟復蘇，中國繼續加強內需發展，雖然廣告行業仍面臨激烈競爭，本集團仍預期中國的傳媒及廣告業將繼續穩步增長。本集團將會繼續加強作為綜合印刷媒體服務供應商的市場地位，與多城市印刷媒體、跨媒體的多元長期合作，加快提升在新媒體業務的技術開發和運營，強調廣告資訊直達消費者的效果，把握業內的增長機遇，為客戶提供更直接、更有效的廣告服務，為股東及商業夥伴創造長遠價值。

最後，本人代表董事會感謝管理團隊和全體員工的專業及奉獻精神，也同時對我們尊貴的股東、客戶和商業夥伴的信任與不懈支持表示誠摯的感謝。

陳志

主席、首席執行官兼執行董事

香港，二零一二年三月二十七日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The advertising market of the PRC maintained a steady growth in 2011. According to a report published by CTR Market Research Co. Ltd., based on standard advertising rates, total advertising spending grew by 12.9% year-on-year to RMB669.33 billion, driving the PRC to become one of the world's leading advertising markets. The growth of both printed media and outdoor media slowed down as the year-on-year growth of newspaper advertising and outdoor media advertising were 11% and 6%, respectively. Radio advertising maintained a good momentum with an increase of 28% compared with last year, while that of television advertising was 13%. Based on the data of the PRC Internet advertising market in 2011 released by iResearch, the Internet continued to have the strongest growth of 57.3%, reflecting the market acceptance of new media.

The Group is principally engaged in four major businesses, namely (i) newspaper advertising; (ii) online services; (iii) marketing, distribution management, consulting and printing services; and (iv) television and radio advertising. The Group is dedicated to offering one-stop solutions with its cross-media advertising platform to advertisers and creating value for its customers.

For the year ended 31 December 2011, the Group's revenue from its major businesses amounted to approximately RMB529.0 million, which was similar to that of 2010. For the year ended 31 December 2011, the Group achieved a gross profit of approximately RMB266.3 million and a gross profit margin of 50.3%, representing a 2 percentage points increase from 48.3% for the year ended 31 December 2010. This was mainly due to the slight increase in gross profit margins of the newspaper advertising, distribution management and consulting businesses and the higher gross profit margin of the marketing business, which were offset by the decreases in gross profit margins of the online services, printing services, and television and radio advertising businesses. Net profit after tax of the Group for the

業務回顧

二零一一年，中國廣告市場繼續保持穩定增長的態勢。基於央視市場研究發佈的報告指出，按刊例價計算，廣告投放總額為人民幣6,693.3億元，同比增長12.9%，廣告市場規模躋身世界前列。其中，平面媒體和戶外媒體增長回落，報紙媒體同比增長11%，戶外媒體同比增長6%；電台繼續保持較快增長，去年同比增加28%；電視台增幅為13%。根據艾瑞發佈的二零一一年度中國互聯網廣告核心資料，互聯網繼續保持最大的增幅，為57.3%，突顯市場對新媒體的認可。

本集團的四大業務板塊(i)報紙廣告、(ii)網絡服務、(iii)營銷、分銷管理、諮詢及印刷服務與及(iv)電視及電台廣告，致力於提供一站式的解決方案予廣告客戶，為客戶提供跨媒體廣告平台，持續創造價值。

截至二零一一年十二月三十一日止年度，本集團實現主營業務收入約為人民幣529.0百萬元，與二零一零年相比基本持平。截至二零一一年十二月三十一日止年度，本集團實現毛利約為人民幣266.3百萬元，毛利率為50.3%，與截至二零一零年十二月三十一日止年度的毛利率48.3%上升2個百分點，主要是由於報紙廣告和分銷管理、諮詢毛利率輕微上升以及營銷毛利率較高，但升幅被網絡服務、印刷服務以及電視及電台廣告毛利率的跌幅所抵銷。截至二零一一年十二月三十一日止年度，本集團實現稅後淨利潤約為人民幣59.0百萬元，與二零一零年同比下跌63.6%，主要是由於年內就應收款

Management Discussion and Analysis

管理層討論及分析

year ended 31 December 2011 was approximately RMB59.0 million, representing a decrease of 63.6% compared with the corresponding period in 2010. The decrease was mainly attributable to the provision of bad debts of RMB68.1 million in respect of trade receivables for the year including the specific provision for impairment on trade receivables of RMB30.4 million relating to the Group's business in Shenyang, the increases in staff cost of RMB7.7 million and RMB11.9 million recognised in selling and marketing expenses and general and administrative expenses, respectively, the increase in amortisation of intangible assets of RMB9.0 million and the increase in foreign exchange loss of RMB4.2 million.

Despite the austerity measures of the PRC regarding the real estate sector and the resulting tight liquidity, the inclusion of the advertising industry, for the first time, into the *Guiding Catalogue for Industrial Structure Adjustment* under the PRC's Twelfth Five-Year Plan as one of "the industries to be supported", together with the favorable national policy, shall benefit the sustainable development of the PRC media and advertising industry, and the Group shall, capitalizing on this changing market environment, also continue to grow steadily and develop new businesses. For instances, the Group entered into cooperation with the Management Committee of Wuhua Technology Park* in Kunming, established new media partnerships with *Xiamen Daily*, *Xiamen Evening News*, *City Lifestyle Weekly** and *TV Friends**, offered marketing services to the real estate sector and explored into the business of cross-platform mobile Internet services.

Solid customer base of advertisers

The Group's solid customer base covers various sectors including consumer products, real estate, 3C (computer, communication and consumer products), telecommunications, home appliances retailing, automotive, home construction materials, healthcare and medical, education and classified advertisements. Despite PRC's austerity measures, the Group's customer mix in 2011 remained similar to that in the previous years.

項壞賬準備人民幣68.1百萬元（其中針對在瀋陽的應收款項提取的特別減值準備人民幣30.4百萬元）、銷售及營銷開支中人工費用增加人民幣7.7百萬元及一般及行政開支中人工費用增加人民幣11.9百萬元，無形資產攤銷增加人民幣9.0百萬元，以及匯兌損失增加人民幣4.2百萬元所致。

縱然國家房地產行業調控導致市場資金結算緊張，但國家首次將廣告行業列為「十二五規劃」中《產業結構調整指導目錄》的鼓勵類產業，並給予政策優惠支持，可持續帶動中國媒體和廣告業的發展，本集團仍能在多變的市場環境中取得平穩發展，並成功開拓新業務，例如與昆明五華科技產業園管理委員會建立合作關係、獲得《廈門日報》、《廈門晚報》、《城市生活信報》、《電視朋友》作為新的媒體合作夥伴，以及為房地產行業提供營銷服務及開始進入跨平台的移動互聯服務等。

穩定的廣告商客戶基礎

本集團擁有穩定的廣告商客戶基礎，分佈於多個行業，當中包括消費品、房地產、3C電子通訊產品、通訊運營商、家電賣場、汽車、家居建材、醫療醫藥、教育與及分類廣告等。雖然二零一一年受到中國宏觀調控的影響，但客戶基礎與往年基本上一致。

Management Discussion and Analysis

管理層討論及分析

While maintaining a good relationship with its existing advertising customers, the Group is also actively seeking new customers. The Group assisted its newspaper advertising clients to expand into other advertising means and offered them higher quality and unique advertising packages in order to help them achieve their marketing objectives. Such integrated packages involved new technologies which combine traditional printed newspaper advertisements, newspaper contents, the Internet and mobile phone and emphasised on the development of the mobile Internet business.

Newspaper advertising

In 2011, the Group's newspaper advertising revenue amounted to RMB387.1 million, dropped by 5.3% compared with the corresponding period last year. Gross profit amounted to RMB162.0 million, representing a year-on-year decrease of 3.8%, which was mainly a result of trimming down the spending on newspaper advertising by advertisers due to the tightening measures of the PRC government and the further segmentation of the media market. Newspaper advertising revenue generated from comprehensive cooperation media partners amounted to RMB313.3 million, accounting for 80.9% of the total revenue of the newspaper advertising business. Newspaper advertising revenue generated from partial cooperation contracts amounted to RMB73.8 million, which was 19.1% of the total revenue of newspaper advertising business.

除妥善地維持與現有廣告客戶的關係，本集團亦正逐步開拓客源，逐步幫助報紙廣告客戶滲透到更多的其他廣告領域，為不同客戶提供度身訂制的優質廣告套餐，並結合新技術，將傳統平面報紙廣告、報紙內容與互聯網和手機等相結合，著力發展移動互聯業務，幫助客戶達成營銷目標。

報紙廣告

二零一一年，本集團來自報紙廣告的營業額為人民幣387.1百萬元，同比減少5.3%；毛利為人民幣162.0百萬元，較去年同期減少3.8%，主要由於廣告客戶受到中國政府之宏觀調控措施的影響以及媒體市場的進一步細化，減少在報紙廣告行業的投入。其中，全面合作媒體夥伴的報紙廣告營業額為人民幣313.3百萬元，佔報紙廣告總收入的80.9%，來自部分合作合約的報紙廣告收入為人民幣73.8百萬元，佔報紙廣告總收入的19.1%。



Management Discussion and Analysis

管理層討論及分析

The overall advertising market in the PRC experienced a decelerated growth in 2011. According to CTR Media Intelligence, the year-on-year growth, which was 11%, slowed down in 2011 mainly because of the country's tightening measures regarding the real estate sector. The lack of growth momentum of the industry and the shift of advertising channel from newspapers to other media such as magazines and radio also contributed to the slowdown. During the year under review, the Group stayed focus on newspaper advertising as its core business, and the lowered revenue was mainly attributable to the reduction in marketing budget by advertisers in light of the austerity measures regarding real estate and other industries and also their tightening financial conditions.

As of 31 December 2011, the Group had 13 media partners in over 16 second- and third-tier cities across eight provinces in the PRC, covering readers of 76.6 million. In addition to its existing partners, namely *Southeast Express*, *Lifestyle Express*, *Modern Life Daily*, *Yan Zhao Metropolitan Newspaper Jidong Edition*, *Dalian Daily*, *Southeast Business*, *Jinhua Daily*, *Jinhua Evening News* and *Central Guizhou Morning Post*, the Group newly partnered with three newspapers, *Xiamen Daily*, *Xiamen Evening News* and *City Lifestyle Weekly*, and a magazine, *TV Friends*, during 2011. Such addition further consolidated the foothold of the Group in the PRC and allowed wider coverage for its clients. These newspapers have granted the Group comprehensive or partial cooperation rights to sell their advertising spaces. In connection with the sale of advertising spaces, the Group offers one-stop newspaper advertising solutions and integrated marketing services to its advertisers. After taking into account the operating environment in 2012 and its own strategies, the Group decided not to renew the partial cooperation contract with *Dalian Daily* in respect of the exclusive agency for the real estate sector in December 2011 with effect from January 2012.

二零一一年，中國整體廣告市場發展有所放緩。根據CTR媒介智訊的資料，二零一一年同比增長放緩，增長11%，主要是受國家房地產調控影響，除行業自身增長乏力的原因，也與部分廣告投放從報紙轉移到雜誌和電台等媒體有關。於回顧年內，本集團堅持以報紙廣告作為主業，相關業務營業額有所減少，主要是因為地產及其他行業受到宏觀調控及銀根緊縮的影響，廣告客戶用於營銷的資金有所減少。

於二零一一年十二月三十一日，本集團共有13家合作媒體，遍佈中國八個省份超過十六個二、三線城市，覆蓋人群達76.6百萬人。本集團既有的合作夥伴包括《東南快報》、《生活新報》、《當代生活報》、《燕趙都市報（冀東版）》、《大連日報》、《東南商報》、《金華日報》、《金華晚報》、《黔中早報》，在二零一一年增加四家合作媒體，分別為三家報章《廈門日報》、《廈門晚報》及《城市生活信報》，以及一份雜誌《電視朋友》，進一步鞏固本集團在中國的版圖，為客戶提供更多的覆蓋。這些報紙向本集團提供出售報紙廣告位的全面合作或部分合作的權利，本集團將報紙廣告與整合營銷服務相結合，形成一站式的解決方案提供予廣告客戶。考慮到二零一二年的經營環境以及自身策略，本集團已於二零一一年十二月決定取消與《大連日報》關於房地產行業獨家代理部分合作的續約工作，從二零一二年一月開始正式生效。

Management Discussion and Analysis

管理層討論及分析

The Group actively participated in the structural reform of publications (excluding current and political affairs) sectors in the PRC, which aims at procuring the rapid development of the news publication industry in the PRC. In December 2011, the Group entered into a joint venture agreement with Liaoning Baixin Media Company Limited* for the establishment of a joint venture, namely ShiFang XinDa Culture Media Company Limited* to engage in the operation of *City Lifestyle Weekly*, formerly known as *Liaoning Broadcasting & TV Weekly**, and *TV Friends*. The Group holds 60% interest in this joint venture. *City Lifestyle Weekly* is an entertainment and lifestyle weekly journal distributed in Liaoning Province with a market coverage of 14 cities in the province and covering readers of 7.8 million. *TV Friends* is an entertainment magazine distributed throughout the PRC. The new joint venture agreement will provide the Group with more opportunities to expand its business into the northeastern part of the PRC, and hence strengthening the Group's position as a provider of integrated printed media services within the market. In addition, in order to seize the business opportunities brought by the structural reform in the PRC newspaper media sector, the Group is now negotiating and discussing potential investment and cooperation opportunities with several publications.

On 26 July 2011, Shenyang Media Corporation, one of the Group's partners under a comprehensive cooperation contract in the PRC, unilaterally terminated the contract with the Group. This brought a considerable impact on the Group's business and led to a surge in the specific provision for impairment on trade receivables. The Group has commenced legal proceedings against Shenyang Media Corporation and issued a civil writ* to the Higher People's Court in the PRC in respect of a claim for a

本集團積極參與中國非時政類報刊轉企改制，促進中國新聞出版業的快速發展。本集團與遼寧百信傳媒有限公司於二零一一年十二月簽署合營協議，持有合營公司十方信達文化傳媒有限公司之60%權益，經營《城市生活信報》（前稱《遼寧廣播電視報》）和《電視朋友》。《城市生活信報》為一份於遼寧省發行的娛樂及生活週刊，發行範圍覆蓋全省十四個市，覆蓋人群達7.8百萬人。《電視朋友》為一份於中國各地發行的娛樂雜誌。新訂立的合營協議將為本集團帶來更多機遇，並將幫助擴展中國東北市場，進而鞏固本集團作為綜合印刷媒體服務供應商的市場地位。此外，為把握中國報刊股權體制改革所帶來的機會，本集團正與幾份報刊進行談判和溝通，尋求潛在投資和合作機會。

於二零一一年七月二十六日，本集團於中國全面合作合約之瀋陽傳媒公司單方面解除與本集團的合約，對本集團的業務帶來了一定程度的影響，導致應收帳款提取的特別減值準備大幅增加。本集團已向瀋陽傳媒公司展開法律程式，向高級人民法院發出民事訴訟狀，索償人民幣約105.6百萬元。近日，本集團收到高級人民法院的民事裁定書，將案件交由遼寧省瀋陽

Management Discussion and Analysis 管理層討論及分析

sum of approximately RMB105.6 million. The Group has recently received a civil judgment issued by the Higher People's Court which referred the case to the Shenyang Intermediate People's Court in Liaoning Province* (the "Intermediate People's Court"). As advised by the PRC legal counsel of the Group, an appeal has been lodged to the Supreme People's Court of the PRC to request that the case shall remain to be heard in the Higher People's Court. In the meantime, Shenyang Media Corporation has also initiated another legal proceedings against Liaoning AoHai TianYi Media Advertisement Co., Ltd.*, a wholly owned subsidiary of the Company, at the Intermediate People's Court as disclosed in our announcement dated 13 March 2012 but judgment is yet to be made by the court. The Group will, as soon as possible, continue to pursue the development and collaboration of other businesses to minimise such impact on the business of the Group.

Online services

In 2011, revenue of the Group's online services and digital media businesses amounted to RMB53.4 million, accounting for 10.1% of the Group's total revenue and representing a decrease of 18.2% compared with the corresponding period last year. Gross profit was RMB49.2 million, down by 18.7% compared with the corresponding period last year, which was mainly due to the fierce market competition, strategic adjustment to its websites and the reduction in online service budget by the clients in view of the financial environment.

市中級人民法院（「中級人民法院」）審理。但誠如本集團之中國法律顧問所告知，已向最高人民法院提起上訴，請求將該案件仍交由高級人民法院審理。同時，誠如本公司於二零一二年三月十三日刊發的公佈所披露，瀋陽傳媒公司亦已向中級人民法院提出針對本公司全資附屬公司遼寧奧海天一傳媒廣告有限公司的另一法律程式，惟法院尚未作出裁決。本集團正盡快安排其他業務的拓展和合作，使對本集團業務的影響減到最低。

網絡服務

二零一一年，本集團在網絡服務和數碼媒體業務的收益達人民幣53.4百萬元，佔本集團總收入10.1%，與去年同期相比減少18.2%；毛利為人民幣49.2百萬元，較去年同期減少18.7%，主要由於行業競爭加劇、網站戰略調整改版以及客戶因受金融大環境影響減少網絡服務開支所致。



Management Discussion and Analysis

管理層討論及分析

During the year under review, the Group continued to enhance its digital publication platform and Duk (www.duk.cn) database system, and offer comprehensive services and information to net surfers. Being one of the digital media publishing platforms with the longest history, the digital greatest influences and the highest numbers of publications in the PRC, Duk is currently the only and the first private enterprise engaging in new media in Fujian Province which was granted the licence for Internet publication by the General Administration of Press and Publication of the PRC offering new digital media solutions in Fujian Province. Publications on Duk mainly include original novels, books, electronic magazines and digital newspapers and books. Duk has 13 million registered members. Newspapers from 17 cities, 860 magazine publishers (over 5,000 magazines), over 200 publishing houses and almost 100,000 pieces of original literature and 4 million application documents are available on Duk with the help of Duk's digital publishing technology and network. In February 2012, the number of original novels, digital newspapers, periodicals, magazines, works of literature, books and documents published on Duk exceeded 470 million.

On 8 December 2011, Duk's new version was launched with a clear business model which focuses on expanding the variety of reading items from the core original novels to incorporate both network and traditional literature. The Group offers professional copyright agency services (C2B) and the best and most unrestricted writing platform of original literature (B2C) for writers. Moreover, the Group vigorously expands the business of copyrights trading (B2B) by cooperating with third party digital platforms and reading bases and setting up marketing channels for institutional users. Together with effective marketing strategies, the Group endeavours to boost writers' reputation and maximize the revenue from their works, thereby achieving a win-win situation.

於回顧年內，本集團繼續完善數碼出版平台，並完善分析讀客網資料庫系統，為瀏覽者提供完善的服務及資訊。讀客網作為國內創始最早、影響最大、發行數量最多的數碼媒體發行平台之一，是目前福建省唯一一家致力於新數字媒體解決方案的企業，也是福建省首家獲得國家新聞出版總署頒發互聯網出版許可證的新媒體民營企業。發行媒體主要有原創小說、圖書、電子雜誌、數字報紙圖書等。現有註冊會員13百萬，已有17個城市的都市報紙、860家雜誌商（5,000多類雜誌）、200多家出版社、近100,000冊原創文學、4百萬份應用文檔，使用了讀客網的數字化出版技術與網絡發行合作。於二零一二年二月，讀客網累計總發行原創小說、數字報紙、期刊、雜誌、文學、書籍、文檔近470百多萬冊次。

二零一一年十二月八日讀客網全新改版，以清晰的商業模式重點致力於以原創小說為主的閱讀領域的拓展，網絡與傳統文學並舉，為作家群體提供專業的版權經紀服務(C2B)，並為之提供最優質的服務與最自由的寫作原創文學平台(B2C)。同時，積極拓展版權貿易業務(B2B)，通過與第三方數字平台、閱讀基地的合作及建立機構用戶的營銷渠道，借助相應的推廣策略，實現作者知名度的提升及作品收益的最大化，以最終達到雙贏的目的。

Management Discussion and Analysis

管理層討論及分析

The three business models achieved significant progress as all the basics are ready and the Group is now marketing them and pursuing further development.

In respect of the **C2B business (copyright agency)**, the number of contracted writers of original literature increased to 2,530, involving 5,820 pieces of work. The cooperation with seven major channels, namely newspapers, magazines, radio, television, publishing houses, mobile platforms and websites, has achieved a breakthrough as the Group entered into cooperation with almost 100 publishing houses. Furthermore, the Group has successfully attracted more renowned authors to join the business through promoting renowned authors through promotional planning. For example, a contracted author of the Group appeared on a variety of shows, namely You Are The One, as part of the Group's promotional campaign.

For the **B2C business (original websites)**, Duk's new version was formally launched on 8 December 2011. As at the date hereof, the number of newly registered users amounted to 1.4 million and the accumulative number of registered users has reached 13 million. The clickthrough rate of works of key writers per month has exceeded 10 million times. In terms of the mobile network, readers' application for Android mobile phones and iPad were launched simultaneously. The daily download number of the Group's application of "bedtime stories for baby", an audio reading software, hit 5,800 per day, and the total number of users has reached 400,000. The Group has also formulated detailed plans in respect of the website operations. In addition to traditional website promotion methods, the Group will also underline the news of some celebrity writers so as to maximise the effect of its marketing effort to promote Duk in a cost-effective way.

三種商業模式都取得了階段性的進展，基礎產品打造完成，全部進入推廣發展階段。

C2B模式（版權經紀），簽約原創作家新增2,530名，作品5,820部；七大渠道（報紙、雜誌、廣播、影視、出版社、移動、網站）的合作進展也有新的突破，與近百家出版社建立了合作關係。同時通過包裝策劃打造明星作家（成功包裝策劃簽約作家登上《非誠勿擾》綜藝節目）吸引更多重量級作家加盟。

B2C模式（原創網站），新版讀客網於二零一一年十二月八號正式上線，到目前為止，新增註冊用戶140萬人，累計註冊用戶1,300萬人；重點作家，作品月點擊率過千萬，無線互聯網方面，Android手機客戶端和iPad客戶端，均已同時上線。本集團所開發的「寶貝睡前故事app」的有聲讀物，目前日下載量可達到每日5,800人，累計40萬人次。在網站的運營方面，本集團佈署了詳細規劃，除了常規的網站推廣手段，本集團還計劃，採取一定的推廣明星作家事件營銷的策略，力爭以點帶面、用較低成本的投入來達到讀客網廣告效果的最大化。

Management Discussion and Analysis

管理層討論及分析

The **B2B business (trading of copyrights)** has gathered 215 publishers or publishing houses with 20,000 works for whole-book cooperation; and 326 publishers or publishing houses with over 30,000 works for serialized publication. Duk has been exploring opportunities of sales cooperation with third parties. The Group entered into various sales and distribution agreements with Huanjianshumeng, a mobile BREW platform (廣州坤建通信技術有限公司), 360buy.com, taohua.com, Panda Reader (Fujian Bo Rui Websoft Technology Ltd.* and VIVA. In the field of corporate sales, the Group entered into a cooperation agreement in respect of the sales of materials of overseas universities, libraries of secondary and primary schools, and public libraries after several visits to and negotiation with Nexus Far East Co., Limited. There was also huge progress in the cooperation with mobile terminals. The Group has successfully passed the review by reading bases and is seeking to become a content provider for a reading website, 天翼閱讀. It will also establish cooperation with another mobile reading platform through a third party.

Duk, being a content provider for three major reading sites, focuses on the development of end-market wireless mobile reading platforms and has launched reader software compatible with operating systems such as iPhone, iPad and Android.

B2B模式 (版權貿易)，累計全本合作的出版社或圖書公司215家，作品2萬部；累計連載合作的出版社或圖書公司326家，作品3萬餘部。讀客網一直在努力拓展第三方銷售合作，目前本集團已選擇與幻劍書盟、電信brew平台（廣州坤建通信技術有限公司）、京東商城、淘花網、熊貓看書軟件（福建博瑞網絡科技有限公司）、維旺明公司簽署了作品的銷售協議。另外，機構用戶營銷領域，通過對Nexus Far East Co., Limited（耐可思遠東有限公司）的多次考察與談判，本集團就海外大學、中小學圖書館、公共圖書館的資源營銷簽署了合作協議。移動終端的合作，也取得了很大進展，本集團已順利通過電信閱讀基地的評審，力爭成為天翼閱讀的內容提供商，並將通過第三方與移動閱讀基地建立了合作關係。

讀客網重點發展無線移動終端閱讀平台，是三大閱讀基地的內容提供商，同時推出了以iPhone、iPad、Android等操作系統為平台的閱讀客戶端軟件。

Management Discussion and Analysis 管理層討論及分析

Yunnan HanDing Technology Co., Ltd.* (“Yunnan HanDing”), a company engaging in new online media business, was established by the Group in May 2011. It operates various popular local online platforms such as Life News (www.shxb.net) and Wan Wei Life (iwanwei.com) in Kunming in conjunction with the Group’s newspaper partner, *Lifestyle Express*, which is a major media in Kunming, Yunnan. The Version 1.0 of Wan Wei Life includes the information of 12,000 lifestyle services businesses, among which over 1,200 businesses cooperate exclusively with Wan Wai Life in offering concessions to its users. The website is well-recognised by the local governments, businesses and users. Yunnan HanDing plans to launch mobile applications for iOS and Android platforms in 2012, such as Wan Wai Yunnan, a mobile travel information application, and Zhui Ai Magazine, a mobile reading application.

The Group is seeking to develop diversified reader applications for Duk platforms with the intention that these platforms will encourage cooperation with more content providers such as newspapers and publishers, which will in turn lead to an increase in revenue from the Group’s electronic publishing services.

於二零一一年五月，本集團成立雲南漢鼎科技有限公司（「雲南漢鼎」），從事網絡新媒體業務，聯同雲南昆明主流媒體《生活新報》在昆明運營「生活新報網」(www.shxb.net)及「玩味生活」(iwanwei.com)等知名本地網絡平台。《玩味生活》1.0版收錄了12,000家涉及生活服務的商家信息，1,200多家商家與《玩味生活》獨家合作，給予用戶消費優惠，受當地政府、商家及用戶一致好評。雲南漢鼎計劃在二零一二年內推出在iOS及Android平台上運行的手機應用程式，包括旅遊類手機應用《玩味雲南》和閱讀類手機應用《追愛雜誌》。

本集團現正尋求發展多元化閱讀應用程式，希望通過讀客網平台與更多的內容提供商如報社、出版社等建立合作，從而帶來更多的電子發行服務和收入。

Management Discussion and Analysis

管理層討論及分析

Marketing, distribution management, consulting and printing services

Revenue from the Group's marketing, distribution management, consulting and printing services amounted to RMB88.1 million for the year ended 31 December 2011, accounting for 16.6% of the Group's total revenue and representing a significant increase of 112.0% compared to the corresponding period last year, mainly due to a surge in revenue from the marketing segment and the expansion of the printing services business. In addition to the new printing production line added by the printing company in Fuzhou in February 2011, the Group has also added a printing production line for *Central Guizhou Morning Post* in the second half of 2010, resulting in a year-on-year increase in revenue from printing services of RMB12.7 million.

The Group has entered into exclusive cooperation contracts with some of its newspaper partners to sell their advertising spaces and the Group's integrated services to customers. The Group also offers certain ancillary services, including printing, distribution management, consulting and marketing advices. During the year, the Group provided comprehensive distribution and management services to *Southeast Express* and *Lifestyle Express*. In addition, the factories in Kunming and Guizhou were operating smoothly in the printing of *Lifestyle Express* and *Central Guizhou Morning Post*, while the Fuzhou factory has added a new production line to meet the increased demand for the printing of *China Securities Journal* and *Shanghai Securities News* to be distributed in Fujian in addition to the printing of *Southeast Express*. With effective management of newspaper printing, the Group is able to maintain high quality in printing these publications and advertisements, as well as the strategic and close cooperative relationships with the media partners.

營銷、分銷管理、諮詢及印刷服務

截至二零一一年十二月三十一日止年度，本集團營銷、分銷管理、諮詢及印刷服務的收入達人民幣88.1百萬元，佔本集團總收入的16.6%，與去年同期相比大幅上升112.0%，主要由於營銷收入的大幅提升以及印刷服務的擴充。除了於二零一一年二月福州印務公司新增了一條印刷生產線外，本集團於二零一零年下半年度新增的《黔中早報》印刷生產線，與去年同比增加印刷服務收入人民幣12.7百萬元。

本集團與部份報紙夥伴訂立獨家合作合約，向客戶銷售報紙廣告位及綜合服務，並提供若干配套服務，包括印刷、分銷管理、諮詢及營銷建議。本年度，本集團為《東南快報》及《生活新報》提供全面發行及管理服務。另外，除了昆明及貴州廠房保持正常運作，印刷《生活新報》和《黔中早報》，福州廠房除印刷《東南快報》外，為應對需求增加，特增添一條生產線，用於印刷福建地區發行的《中國證券報》和《上海證券報》。通過有效管理報紙印刷，本集團對其刊物的印製品實施品質控制，更好地確保所刊登廣告的品質，增強與媒體夥伴的策略合作和維持緊密關係。

Management Discussion and Analysis

管理層討論及分析

In addition, Fujian Fangke Network Technology Corporation Limited* (“Fujian Fangke”), which is owned as to 51% by the Group through a capital contribution and share subscription in April 2011, provides planning and marketing services for real estate projects, collections of planning fees and commissions and operates FangKe Web. Leveraging on its own resources and the established platform developed by FangKe Web, the Group provides comprehensive project marketing and property marketing planning so as to strengthen its cooperation with customers and enhance the quality and effectiveness of its comprehensive marketing projects. Revenue from the Group’s real estate marketing services amounted to RMB35.0 million for the year. Furthermore, the Group entered into a cooperation agreement with the Management Committee of Wuhua Technology Park* in Kunming in order to expand its customer base. Under the agreement, the Group will conduct marketing, investment promotion and advertisement creative planning, production and publishing programs for the property development at lot 13 of Wuhua Technology Park. This project is progressing as planned.

ShiFang Healthcare Technology Corporation Limited*, a subsidiary formed by the Group in May 2011, is committed to develop the most unique medical and healthcare information platform across the country and provide all-round medical and healthcare information by setting up an integrated information services platform comprising websites, call centre platforms, appointment and registration systems.

此外，二零一一年四月，本集團通過增資擴股持有51%權益的福建房客網絡科技股份有限公司，為房地產專案提供策劃及營銷服務，收取策劃費和佣金，並負責房客網的運營。本集團利用自身的資源優勢與房客網成熟的技術，提供全案房產行銷策劃，進一步深化與客戶的合作，以提高全案行銷的水準和能力。本年度，本集團實現房地產營銷服務收入為人民幣35.0百萬元。同時，為拓展客戶基礎，本集團與昆明五華科技產業園管理委員會訂立合作協議，負責五華科技產業園第13號地段物業發展的市場營銷、招商、推廣及廣告策劃創意、製作、發佈計劃等，目前該項目正按計劃推進中。

本集團附屬公司十方健康科技有限公司在二零一一年五月份成立，並致力打造為全國最具特色的醫療及健康資訊平台，並設立互聯網站、呼叫中心平台、預約掛號系統等綜合資訊服務平台，提供全方位的醫療及健康資訊。

Management Discussion and Analysis

管理層討論及分析

Television and radio advertising

During the year ended 31 December 2011, revenue from the Group's television and radio advertising business amounted to RMB0.4 million, accounting for 0.1% of the Group's total revenue and representing a decrease of 96.9% compared with the corresponding period last year, mainly because the Group voluntarily gave up renewing the agency contract with Dalian Television Station.

The television advertising business operates principally as an extended and auxiliary service to customers in the newspaper advertising business in order to expand our business beyond the newspaper media. The Group renewed its cooperation with Nanning Television Station to mainly broadcast advertisements in respect of the automotive and related industries during the advertising time slots on four channels of Nanning Television Station. The Group has also planned and produced mini-programmes focusing on the automotive industry, during which advertisements have also been aired. In view of its internal resources and the current operating environment, the Group voluntarily gave up renewing the agency contract in respect of the property industry with Dalian Television Station in 2011. Besides, the automotive advertisement project in collaboration with Nanning Television Station in Guangxi was relatively small in scale and was not able to make sizeable revenue contribution to the Group. In addition, the State Administration of Radio Film and Television issued the *Notice of Further Strengthening the Management of the Advertisement Broadcasting on Radio and Television* in October 2011 which restricts the length and times of intermittent advertisements. This provision will exert cost pressure on the overall television advertising industry. The Group is currently exploring other cooperation opportunities with other television stations in order to expand the income source of the television advertising business.

電視及電台廣告

截至二零一一年十二月三十一日止年度，本集團在電視及電台廣告方面的收入為人民幣0.4百萬元，佔本集團總收入的0.1%，與去年同期相比下降96.9%，主要由於本集團主動放棄與大連電視台的代理合約項目續約權。

電視廣告業務是本集團作為提供予報紙媒體客戶的延伸服務和配套，拓展報紙媒體以外業務範疇。本集團持續與廣西的南寧電視台合作，主力於在四個頻道的廣告時間發佈汽車及相關行業的廣告、並策劃及製作專注於汽車行業的小型節目和播放相關廣告。二零一一年，考慮到內部資源和經營環境的原因，本集團主動放棄與大連電視台房地產行業代理合約項目的續約權。另外，因為廣西南寧電視台汽車檔目廣告項目的規模較小，未能為本集團的收入作出重大貢獻。再加上，國家廣電總局於二零一一年十月下發了《關於進一步加強廣播電視廣告播出管理的通知》，限制插播廣告時間及次數，這個規定對整體電視廣告行業收入造成一定成本壓力。本集團正致力開發與其他更多的電視台建立合作關係，以開拓更多電視廣告業務收入來源。

Management Discussion and Analysis

管理層討論及分析

In terms of radio advertising, the Group carried on its 5-year cooperative project with YangGuang DuShi (Beijing) Culture and Media Co. Ltd* (“YangGuang DuShi”), a wholly-owned subsidiary of China National Radio in relation to the development of radio stations at provincial, municipal and county levels for the purposes of expanding the Group’s broadcasting media resources beyond the newspaper and online digital media. Although Beijing Shifang Yizhi Company Limited*, the project company responsible for the sales of the radio programme library of China National Radio, has formally commenced operation, it did not bring any operating income to the Group as the programme library of the partner has not yet been available to the Group. The Group is now negotiating with YangGuang DuShi with an aim of obtaining access to the library and commencing operation as soon as possible.

FINANCIAL REVIEW

Revenue

Total revenue decreased slightly by 0.2% from RMB529.9 million for the year ended 31 December 2010 to RMB529.0 million for the year ended 31 December 2011, primarily because the increase in revenue from marketing, distribution management, consulting and printing services from RMB41.5 million for the year ended 31 December 2010 to RMB88.1 million for the year ended 31 December 2011 was offset by the decrease in the revenue from newspaper advertising from RMB408.7 million for the year ended 31 December 2010 to RMB387.1 million for the year ended 31 December 2011 and the decrease in revenue from online services from RMB65.3 million for the year ended 31 December 2010 to RMB53.4 million for the year ended 31 December 2011.

就電台廣告業務方面，本集團繼續推廣與中央人民廣播電台的全資附屬公司央廣都市（北京）文化傳媒有限公司（「央廣都市」）授權發展省級、市級、縣級的5年合作項目，積極擴充報紙媒體及網路數字媒體以外的廣播媒體資源。雖然負責運營中央人民廣播電台節目庫銷售業務的北京十方意智文化傳播有限公司已正式投入營運，但由於合作方節目庫暫未正式開放給本集團使用，因此該項目本年度未取得任何業務收入。本集團正積極和央廣都市協商溝通，希望盡快獲得相應節目庫的使用權，以順利展開業務。

財務回顧

收益

總收入由截至二零一零年十二月三十一日止年度的人民幣529.9百萬元輕微減少0.2%至截至二零一一年十二月三十一日止年度的人民幣529.0百萬元，主要因為營銷、分銷管理、諮詢及印刷服務的收入由截至二零一零年十二月三十一日止年度的人民幣41.5百萬元增至截至二零一一年十二月三十一日止年度的人民幣88.1百萬元，而該增幅被報紙廣告的收入由截至二零一零年十二月三十一日止年度的人民幣408.7百萬元減至截至二零一一年十二月三十一日止年度的人民幣387.1百萬元、網絡服務收入由截至二零一零年十二月三十一日止年度的人民幣65.3百萬元減至截至二零一一年十二月三十一日止年度的人民幣53.4百萬元抵銷。

Management Discussion and Analysis

管理層討論及分析

The decrease in revenue from newspaper advertising from RMB408.7 million for the year ended 31 December 2010 to RMB387.1 million for the year ended 31 December 2011 was mainly because the increase in revenue of RMB18.6 million from two newly acquired partners, namely *Xiamen Daily* and *Xiamen Evening News*, as well as the increase in revenue from *Central Guizhou Morning Post* of RMB12.8 million as compared with 2010 were offset by a decrease of RMB39.6 million in the revenue as compared with 2010 caused by the termination of the cooperation with *Shenyang Evening News* on 26 July 2011 because of a default. Revenue from comprehensive cooperation contracts accounted for approximately 80.9% of the total newspaper advertising revenue for the year ended 31 December 2011.

Gross profit and gross profit margin

Gross profit increased by 4.1% from RMB255.8 million for the year ended 31 December 2010 to RMB266.3 million for the year ended 31 December 2011. Gross profit margin increased from 48.3% for 2010 to 50.3% for 2011. The increase was mainly due to a slight increase in gross profit margins of newspaper advertising as well as the higher gross profit margin of marketing services, partially offset by the decrease in gross profit margins of online services, printing services and the television and radio advertising business.

Other income

Other income increased by 4.2% from RMB9.6 million for the year ended 31 December 2010 to RMB10.0 million for the year ended 31 December 2011, primarily as a result of an increase in the income from government subsidies.

報紙廣告的收益由截至二零一零年十二月三十一日止年度的人民幣408.7百萬元減至截至二零一一年十二月三十一日止年度的人民幣387.1百萬元，主要是因為兩個新收購夥伴《廈門日報》及《廈門晚報》令收入增加人民幣18.6百萬元和《黔中早報》收入對比二零一零年度增加人民幣12.8百萬元，而該等增幅被與《瀋陽晚報》的合作因不獲履行而終止造成收入比二零一零年下跌人民幣39.6百萬元抵銷。截至二零一一年十二月三十一日止年度，全面合作合約收入佔總報紙廣告收入約80.9%。

毛利及毛利率

毛利由截至二零一零年十二月三十一日止年度的人民幣255.8百萬元增加4.1%至截至二零一一年十二月三十一日止年度的人民幣266.3百萬元。毛利率由二零一零年的48.3%增至二零一一年的50.3%，主要是由於報紙廣告毛利率輕微上升以及營銷服務毛利率較高，而有關升幅部分被網絡服務、印刷服務以及電視及電台廣告業務毛利率的跌幅抵銷。

其他收入

其他收入由截至二零一零年十二月三十一日止年度的人民幣9.6百萬元增加4.2%至截至二零一一年十二月三十一日止年度的人民幣10.0百萬元，主要是由於政府補貼收入增加所致。

Management Discussion and Analysis

管理層討論及分析

Selling and marketing expenses

Selling and marketing expenses increased by 41.8% from RMB26.8 million for the year ended 31 December 2010 to RMB38.0 million for the year ended 31 December 2011, mainly because of an increase in compensation paid to our sales team due to an expansion of our sales team and workforce, as well as an increase in commission paid. In addition, the Group has hired additional sales personnel during the year. Selling and marketing expenses as a percentage of revenue increased slightly from 5.1% for the year ended 31 December 2010 to 7.2% for the year ended 31 December 2011.

General and administrative expenses

General and administrative expenses increased by 200.6% from RMB52.0 million for the year ended 31 December 2010 to RMB156.3 million for the year ended 31 December 2011, mainly because of a specific impairment provision for trade receivables of RMB68.1 million, among which an amount of RMB30.4 million was related to the trade receivables due from debtors in Shenyang, which may end their customer relationship with the Group after the termination of the cooperation contract between the Group and Shenyang Media Corporation, thereby making such trade receivables mostly irrecoverable. In addition, another major reason for making impairment provision for receivables was that some customers were not able to pay their advertising fees on time amid the discouraging economic environment and the relatively tight monetary policies adopted in the market, in particular the continuous measure of the central government to curb the property industry. The increase in general and administrative expenses was also caused by the increases in foreign exchange loss of RMB4.2 million, amortisation of intangible assets of RMB9.0 million and staff cost of RMB11.9 million.

銷售及營銷開支

銷售及營銷開支由截至二零一零年十二月三十一日止年度的人民幣26.8百萬元增加41.8%至截至二零一一年十二月三十一日止年度的人民幣38.0百萬元，主要原因是增聘銷售人員而支付予銷售團隊的工資及佣金增加。銷售及營銷開支佔收入的百分比由截至二零一零年十二月三十一日止年度的5.1%微增至截至二零一一年十二月三十一日止年度的7.2%。

一般及行政開支

一般及行政開支由截至二零一零年十二月三十一日止年度的人民幣52.0百萬元增加200.6%至截至二零一一年十二月三十一日止年度的人民幣156.3百萬元，主要因為就貿易應收款項作出特定減值撥備人民幣68.1百萬元，當中人民幣30.4百萬元乃關於應收瀋陽債務人的貿易應收款項，有關債務人可能會於本集團與瀋陽傳媒公司的合作合約終止後終止與本集團的客戶關係，使有關貿易應收款項不大可能收回。另受經濟大環境不理想及市場實行偏緊的貨幣政策，特別是中央政府對房地產行業的不斷調控，造成部分客戶無法按時支付廣告費，這是要進行應收款項減值撥備的主要原因。一般及行政開支增加的另一個原因是匯兌損失增加人民幣4.2百萬元、無形資產攤銷增加人民幣9.0百萬元及僱員成本增加人民幣11.9百萬元。

Management Discussion and Analysis

管理層討論及分析

Profit before income tax

As a result of the foregoing factors, profit before income tax for the year ended 31 December 2011 was RMB82.5 million, representing a decrease of 55.5% as compared to RMB185.4 million for the year ended 31 December 2010.

Income tax expenses

Income tax expenses decreased by 3.7% from RMB24.4 million for the year ended 31 December 2010 to RMB23.5 million for the year ended 31 December 2011 as a result of the decrease in taxable income for the year. Also, the effective tax rates increased from 13.1% for the year ended 31 December 2010 to 28.5% for the year ended 31 December 2011, mainly due to the change in applicable corporate income tax rates of certain subsidiaries operating in the PRC.

Profit for the year

As a result of the foregoing factors, profit for the year decreased by 63.4% from RMB161.1 million for the year ended 31 December 2010 to RMB59.0 million for the year ended 31 December 2011, principally due to the provision for bad debts in respect of trade receivables for the year of RMB68.1 million including the specific bad debt provision of RMB30.4 million for the amount due from the debtor in Shenyang, the increase in staff costs of RMB7.7 million and RMB11.9 million recognised in selling and marketing expenses and general and administrative expenses, respectively, the increase in amortisation of intangible assets of RMB9.0 million as well as the increase in foreign exchange loss of RMB4.2 million.

除所得稅前溢利

由於上述因素，於截至二零一一年十二月三十一日止年度錄得除所得稅前溢利人民幣82.5百萬元，較截至二零一零年十二月三十一日止年度的人民幣185.4百萬元減少55.5%。

所得稅開支

所得稅開支由截至二零一零年十二月三十一日止年度的人民幣24.4百萬元下跌3.7%至截至二零一一年十二月三十一日止年度的人民幣23.5百萬元，原因為年內應課稅收入減少所致。此外，實際稅率由截至二零一零年十二月三十一日止年度的13.1%上升至截至二零一一年十二月三十一日止年度的28.5%，主要是由於若干在中國經營的附屬公司的適用企業所得稅稅率有變所致。

年內溢利

由於上述因素，年內溢利由截至二零一零年十二月三十一日止年度的人民幣161.1百萬元減少63.4%至截至二零一一年十二月三十一日止年度的人民幣59.0百萬元，主要是由於年內就貿易應收款項壞賬撥備人民幣68.1百萬元（包括就應收瀋陽債務人款項計提的特別壞賬撥備人民幣30.4百萬元）、銷售及營銷開支中僱員成本增加人民幣7.7百萬元及一般及行政開支中僱員成本增加人民幣11.9百萬元，無形資產攤銷增加人民幣9.0百萬元及匯兌損失增加人民幣4.2百萬元所致。

Management Discussion and Analysis 管理層討論及分析

Profit/loss attributable to non-controlling interests

Profit attributable to non-controlling interests increased from a loss of RMB15,000 for the year ended 31 December 2010 to RMB6.0 million for the year ended 31 December 2011.

Profit attributable to equity holders of the Company

As a result of the foregoing, profit attributable to equity holders of the Company decreased by 67.1%, from RMB161.1 million for the year ended 31 December 2010 to RMB53.0 million for the year ended 31 December 2011.

Liquidity and capital resources

非控股權益應佔溢利／虧損

非控股權益應佔溢利由截至二零一零年十二月三十一日止年度的虧損人民幣15,000元增至截至二零一一年十二月三十一日止年度的溢利人民幣6.0百萬元。

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二零一零年十二月三十一日止年度的人民幣161.1百萬元減少67.1%至截至二零一一年十二月三十一日止年度的人民幣53.0百萬元。

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	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動產生的現金淨額	4,458	66,762
Net cash used in investing activities	投資活動動用的現金淨額	(382,927)	(154,834)
Net cash generated from financing activities	融資活動產生的現金淨額	46,845	593,430
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少)／增加淨額	(331,624)	505,358
Cash and cash equivalents at the beginning of the year	年初的現金及現金等值項目	546,001	40,643
Cash and cash equivalents at the end of the year	年末的現金及現金等值項目	214,377	546,001

Cash flow from operating activities

For the year ended 31 December 2011, net cash generated from operating activities amounted to RMB4.5 million, primarily attributable to profit before tax of RMB82.5 million, which was offset by an increase in trade receivables of RMB72.7 million as well as an increase in prepayments from advertising costs paid to newspaper partners resulting from the increase in advertising income for the year.

經營活動現金流量

截至二零一一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4.5百萬元，主要由於除稅前溢利達人民幣82.5百萬元，惟被貿易應收款項增加人民幣72.7百萬元及付予報紙夥伴的預付廣告費用款項隨年內廣告收入上升而增加抵銷。

Management Discussion and Analysis

管理層討論及分析

Cash flow used in investing activities

For the year ended 31 December 2011, net cash used in investing activities amounted to RMB383.0 million, resulting primarily from the prepayment for long term investment of RMB75.0 million, investment in an associate of RMB40.0 million, deposit paid for exclusive marketing and promotion projects of RMB208.8 million, acquisition of a cooperation partnership business of RMB40.0 million, payments for the additions of plant and equipment such as printing equipment and office fixtures of RMB18.8 million and payments for the additions of intangible assets of RMB8.6 million.

Cash flow from financing activities

For the year ended 31 December 2011, net cash generated from financing activities amounted to RMB46.8 million, primarily attributable to the repayment of bank borrowings of RMB50.0 million, repurchase of the shares of the Company of RMB10.4 million, payments for share issuance costs of 36.3 million, net off by the proceeds from bank borrowings of RMB47.0 million, capital contribution from non-controlling interest shareholders of RMB30.0 million, and proceeds from a loan from a related party.

Capital expenditures

The Group's business generally does not require significant ongoing capital expenditures. Capital expenditures incurred mainly for the purchase of printing machinery and office equipment. Capital expenditures were RMB24.0 million and RMB18.8 million for the years ended 31 December 2010 and 31 December 2011, respectively.

投資活動動用的現金流量

截至二零一一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383.0百萬元，主要為預付長期投資款項人民幣75.0百萬元、於聯營公司的投資人民幣40.0百萬元、已付有關獨家營銷及宣傳項目的按金人民幣208.8百萬元、收購合作夥伴業務的人民幣40.0百萬元、支付添置印刷設備、辦公室裝修等廠房及設備款項人民幣18.8百萬元以及支付添置無形資產款項人民幣8.6百萬元。

融資活動現金流量

截至二零一一年十二月三十一日止年度，融資活動產生的現金淨額為人民幣46.8百萬元，主要為償還銀行借款人民幣50.0百萬元、購回本公司股份的人民幣10.4百萬元、支付股份發行成本人民幣36.3百萬元，並扣除銀行借款所得款項人民幣47.0百萬元、非控股權益股東的資本注資人民幣30.0百萬元及關連人士貸款的所得款項。

資本支出

本集團的業務一般不需要大量持續資本支出。本集團的資本支出主要用於購置印刷機器及辦公設備。截至二零一零年十二月三十一日及二零一一年十二月三十一日止年度的資本支出分別為人民幣24.0百萬元及人民幣18.8百萬元。

Management Discussion and Analysis 管理層討論及分析

Trade receivables – net

The following table sets out the aging analysis of the Group's 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 於十二月三十一日	
		2011 二零一一年	2010 二零一零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Aging analysis of trade receivables	貿易應收款項的賬齡分析		
1 – 30 days	1至30日	27,940	33,373
31 – 60 days	31至60日	16,322	26,661
61 – 90 days	61至90日	13,305	20,510
91 – 365 days	91至365日	142,202	142,671
Over 1 year	1年以上	134,983	38,584
Total	總計	334,752	261,799
Less: provision for impairment of trade receivables	減：貿易應收款項的減值撥備	(75,083)	(7,170)
Total trade receivables – net	總貿易應收款項－淨額	259,669	254,629

Trade receivables increased by 2.0%, from RMB254.6 million as at 31 December 2010 to RMB259.7 million as at 31 December 2011 mainly because of the increase in the repayment cycle from the newspaper advertising customers and online services customers which the Group has granted long credit periods to them. Trade receivables turnover days increased from 141 days for the year ended 31 December 2010 to 177 days for the year ended 31 December 2011 primarily due to the increase in sales to major customers and internet services customers who enjoy longer credit periods.

貿易應收款項由截至二零一零年十二月三十一日的人民幣254.6百萬元增加2.0%至截至二零一一年十二月三十一日的人民幣259.7百萬元，主要是由於本集團授予報紙廣告及網絡服務客戶較長的信貸期，使還款週期延長所致。貿易應收款項周轉日數由截至二零一零年十二月三十一日止年度的141日增加至截至二零一一年十二月三十一日止年度的177日，主要是由於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 the Group is given the contractual right to sell under these arrangements are held under the line item "assets held for sale".

持作出售資產

本集團根據該等安排獲得合約出售權的物業乃根據「持作出售資產」項目持有。

		As at 31 December	
		於十二月三十一日	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties held for sale	持作出售物業	<u>29,336</u>	<u>29,848</u>

The Group recognise revenue from advertising services upon obtaining the contractual rights to sell the relevant properties. Such revenue recognised from the relevant real estate customers were RMB17.9 million and RMB5.1 million for the years ended 31 December 2010 and 31 December 2011, respectively, which accounted for 3.4% and 1.0% of total revenue, respectively. For the same periods, the amount of proceeds received from the sales of such properties was RMB10.9 million and RMB5.6 million, respectively.

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。截至二零一零年十二月三十一日及二零一一年十二月三十一日止年度，本集團確認該等來自相關房地產客戶的收益金額分別為人民幣17.9百萬元及人民幣5.1百萬元，分別佔總收益3.4%及1.0%。同期，自出售該等物業收取的所得款項分別為人民幣10.9百萬元及人民幣5.6百萬元。

Trade payables

貿易應付款項

		As at 31 December	
		於十二月三十一日	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項		
1 – 30 days	1至30日	<u>2,227</u>	1,463
31 – 90 days	31至90日	<u>815</u>	808
Over 90 days	90日以上	<u>1,105</u>	1,893
Total	總計	<u>4,147</u>	<u>4,164</u>

Management Discussion and Analysis 管理層討論及分析

Trade payables decreased slightly by 2.4%, from RMB4.2 million as at 31 December 2010 to RMB4.1 million as at 31 December 2011, remained largely unchanged compared with last year. Trade payables turnover days increased from 5 days for the year ended 31 December 2010 to 6 days for the year ended 31 December 2011, which was mainly due to the increase in purchases of newsprint during the year.

Indebtedness

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

		As at 31 December	
		2011	2010
		二零一一年	二零一零年
		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	47,000	50,000
Other loan	其他貸款	2,528	4,607
Loans from related parties	關連人士貸款	157	157
Total	總計	49,685	54,764

Total borrowings amounted to RMB54.8 million and RMB49.7 million as at 31 December 2010 and 31 December 2011, respectively.

Loans include borrowings secured by equipment and investment properties with carrying value amounted to RMB50.0 million and RMB47.0 million for the years ended 31 December 2010 and 31 December 2011, respectively.

貿易應付款項由截至二零一零年十二月三十一日的人民幣4.2百萬元輕微減少2.4%至截至二零一一年十二月三十一日的人民幣4.1百萬元，同比基本持平。貿易應付款項周轉日數由截至二零一零年十二月三十一日止年度的5日增加至截至二零一一年十二月三十一日止年度的6日，主要因為年內新聞紙的購買量增加。

債項

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

截至二零一零年十二月三十一日及二零一一年十二月三十一日，本集團的借款總額分別達人民幣54.8百萬元及人民幣49.7百萬元。

貸款包括以設備及投資物業作抵押的借款，有關借款於截至二零一零年十二月三十一日及二零一一年十二月三十一日止年度的賬面值分別為人民幣50.0百萬元及人民幣47.0百萬元。

Management Discussion and Analysis

管理層討論及分析

Gearing ratio decreased from 4.3% as at 31 December 2010 to 3.5% as at 31 December 2011 primarily due to increases in property, plant and equipment, intangible assets, interest in an associate, trade receivables, and prepayments, deposits and other receivables, and decrease in loans from related parties and cash and cash equivalent.

Commitments

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

資產負債比率由二零一零年十二月三十一日的4.3%下跌至二零一一年十二月三十一日的3.5%，主要是由於物業、廠房及設備、無形資產、於聯營公司的權益、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以及現金及現金等值項目減少。

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：

		As at 31 December	
		於十二月三十一日	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Not later than 1 year	一年以下	252,750	248,279
Later than 1 year and not later than 5 years	一年以上及五年以下	623,250	606,819
Later than 5 years	五年以上	1,992,750	2,162,000
		2,868,750	3,017,098

Contingent liability

On 26 July 2011, Shenyang Media Corporation, one of the Group's partners under a comprehensive cooperation contract, unilaterally terminated the contract with the Group.

Shenyang Media Corporation initiated civil action against the Group on 25 October 2011 through the Shenyang Intermediate People's Court in Liaoning Province ("Intermediate People's Court"), where Shenyang Media Corporation claimed the Group for a total sum of RMB17,329,000, being the outstanding advertising fee payable by the Group as at 26 July 2011 under the comprehensive cooperation contract between the Group and Shenyang Media Corporation and all legal costs in relation to the litigation.

或有負債

於二零一一年七月二十六日，瀋陽傳媒公司（本集團其中一名全面合作合約的夥伴）單方面解除與本集團訂立的合約。

於二零一一年十月二十五日，瀋陽傳媒公司透過遼寧省瀋陽市中級人民法院（「中級人民法院」）向本集團提出民事訴訟，向本集團索償總額人民幣17,329,000元，即於二零一一年七月二十六日，本集團根據與瀋陽傳媒公司訂立的全面合作合約應付的尚未支付廣告費及有關該訴訟的所有法律費用。

Management Discussion and Analysis 管理層討論及分析

On 22 December 2011, the Group issued a civil writ to the Higher People's Court of Liaoning Province (the "Higher People's Court") in the PRC against Shenyang Daily Agency and Shenyang Media Corporation, pursuant to which the Group claimed Shenyang Daily Agency and Shenyang Media Corporation for a total sum of RMB105,579,352, being the outstanding advertising fees payable by Shenyang Daily Agency and Shenyang Media Corporation to the Group under their comprehensive cooperation contract with the Group together with all the legal costs the Group incurred in relation to such litigation.

On 8 March 2012, the Group has received a civil judgment issued by the Higher People's Court in relation to the civil writ issued on 22 December 2011, pursuant to which the Higher People's Court decided to refer the case to the Intermediate People's Court. As advised by the Company's PRC legal counsel, on 13 March 2012, the Group has lodged an appeal to the Supreme People's Court of the PRC (the "Supreme People's Court") to request the Supreme People's Court to overrule the Higher People's Court's decision and order that the case shall remain to be heard in the Higher People's Court pursuant to the PRC law.

No provision for loss has been made in respect of the litigation between the Group, and Shenyang Daily Agency and Shenyang Media Corporation, as at 31 December 2011, as management, having considered all available facts and circumstances and legal advice from the Group's external legal counsel, has determined that these claims would not result in an outflow of economic benefits from the Group.

於二零一一年十二月二十二日，本集團針對瀋陽日報社及瀋陽傳媒公司向中國遼寧省高級人民法院（「高級人民法院」）發出民事起訴狀，據此，本集團向瀋陽日報社及瀋陽傳媒公司索償總額人民幣105,579,352元，即瀋陽日報社及瀋陽傳媒公司根據與本集團訂立的全面合作合約應付予本集團的尚未支付廣告費連同本集團就該訴訟產生的所有法律費用。

於二零一二年三月八日，本集團收到高級人民法院就於二零一一年十二月二十二日發出的民事起訴狀發出的民事裁定書，據此，高級人民法院裁定將該案件交由中級人民法院審理。誠如本公司的法律顧問所告知，於二零一二年三月十三日，本集團已向中國最高人民法院（「最高人民法院」）提起上訴，請求最高人民法院依照中國法律改裁高級人民法院的裁定，並將該案件仍交由高級人民法院審理。

經考慮所有可得知事實及情況以及本集團外部法律顧問的法律意見後，管理層認為該等索償不會導致本集團經濟利益流出，故於二零一一年十二月三十一日，並無就本集團與瀋陽日報社及瀋陽傳媒公司的訴訟作出虧損撥備。

Management Discussion and Analysis

管理層討論及分析

Human resources

As at 31 December 2011, the Group had approximately 1,070 full-time employees. Total staff costs including directors' remuneration for the year ended 31 December 2011 was approximately RMB70.7 million (2010: approximately RMB49.8 million). The Group offer competitive remuneration packages to employees that include salaries, bonuses and share options to qualified employees.

The compensation of 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 the Group's 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

The Group will endeavor to build up its comprehensive "ShiFang" advertising network that offers diversified advertising platforms and services to its clients in the future. The Twelfth Five-Year Plan of the PRC clearly stipulates that the country will continue to procure the healthy development of the advertising industry, while "advertising creation, advertising planning, advertising design and advertising production" was listed as one of the supported industries in the *Guidance Catalogue for Industrial Structure Adjustment (2011 Version)*, and will enjoy privileges under the relevant national policies for the first time. Coupling with the provincial development plans for the advertising industry promulgated across the PRC, such national policies will provide strong impetus and room for the growth of the advertising industry. Besides, the constant expansion of the PRC economy and the consumption power of the Chinese will certainly boost advertisers' investments and the growth of the industry. The Group believes that in the long run, there will be enormous room for the development of the PRC advertising industry and the Group.

人力資源

截至二零一一年十二月三十一日，本集團擁有約1,070名全職僱員。截至二零一一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70.7百萬元（二零一零年：約人民幣49.8百萬元）。本集團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。

薪酬委員會負責評估董事薪酬，並向董事會作出建議。此外，薪酬委員會亦會檢討高級管理層的表现及制訂彼等的薪酬結構。

本公司營辦一項僱員購股權計劃，旨在向曾為本公司提供服務的合資格人士就彼等對本公司作出的貢獻及努力不懈地促進本公司利益給予鼓勵或獎賞，及作為董事會可能不時批准的其他目的。

行業及集團展望

展望未來，本集團致力於打造「十方」的廣告網路，為客戶提供多元廣告平台服務。隨著中國在「十二五規劃」中明確繼續促進廣告業健康發展，《產業結構調整指導目錄（2011年本）》已把「廣告創意、廣告策劃、廣告設計、廣告製作」列為鼓勵類第一次享受國家相關政策優惠，加上中國各省近期出台的廣告業發展戰略，將為廣告業發展提供了強有力的政策支持依據和空間。而伴隨著中國經濟的持續發展，各地民眾消費能力不斷增加，勢必將持續帶動廣告客戶的市場投入，持續帶動廣告業的發展，本集團預期中國廣告行業及本集團的長遠未來增長前景廣闊。

Management Discussion and Analysis

管理層討論及分析

Leveraging on its brand equity, extensive geographical coverage, effective cross-media platform, constant technology innovation and integration abilities as well as its competitive integrated media service platform, the Group is fully equipped to offer its advertisers flexible and diversified advertising media and will continue to seize the opportunities presented by the favourable environment and continual development of the advertising industry. Nonetheless, the Group is faced with various macro-economic issues such as the national reform of publications (excluding current and political affairs), the impact of the national macro-economic control measures on advertisers, particularly those in the real estate industry, and the consequential tight supply of capital in the market, and will stay alert and response.

Looking forward, the Group will continue to consolidate its position as a leading integrated media services provider. In order to further develop its comprehensive and diversified media platform and strengthen the marketing of its integrated products, not only will the Group keep its edge in the newspaper advertising business, but it also will actively develop new technologies, such as online and mobile phone platforms, to facilitate its development in the Internet and new media. Through the provision of better integrated media platform and services with higher efficiency and value to advertisers, the Group aims to create a sustainable growth for the shareholders.

憑藉本集團的品牌效應、跨地域廣泛覆蓋、跨媒體平台的實力，不斷技術創新、技術整合的能力，及具有較強競爭力的綜合媒體服務供應平台，本集團必能在行業積極正面背景下，緊抓中國廣告行業持續發展的機會，為廣告客戶靈活運用多種廣告媒介。與此同時，本集團仍需要積極面對宏觀環境的影響，包括國家對非時政類報刊改制的進程、國家調控政策特別是對房地產行業廣告客戶的影響，直接導致市場資金結算較為緊張。

在未來，本集團將繼續加強作為綜合媒體服務供應商的市場地位，除了繼續加強在報紙廣告業務的優勢，將會積極開發新技術，提升在移動互聯和新媒體的發展，包括互聯網、手機等平台業務，從而繼續拓展全面、多元化媒體平台、強化全案行銷的建設，為廣告客戶提供更綜合媒體平台、更具效益的增值服務，希望為股東創造可持續增長。

* for the purpose of identification only 僅供識別

Directors and Senior Management Profile

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Chen Zhi, aged 46 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 eight 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. Mr. Chen is the spouse of Ms. Zheng Shou Ling and the brother of Ms. Chen Min, a non-executive Director of the Company.

執行董事

陳志先生，46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八年相關經驗，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，亦為本公司非執行董事陳敏女士的胞兄。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Hong Pei Feng, aged 46 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，46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, aged 38 is an executive Director and the chief financial officer. 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 Touche 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.

張鐵柱先生，38歲，執行董事兼首席財務官。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。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Yu Shi Quan, aged 35, is an executive Director and the vice president of finance. 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, and was appointed a Director of our Company on December 20, 2011. 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. Presently, Mr. Yu is a director of Fuzhou HanDing Network Science & Technology Co., Ltd., Fujian ShiFang Culture Communication Co., Ltd., Shenyang ZhuQin ShiFang Media Development Co., Ltd., and Beijing HanDing Advertisement Co., Ltd., which are all subsidiaries of our Company.

余詩權先生，35歲，執行董事兼財務副總裁。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，並於二零一一年十二月二十日獲委任為本公司董事。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。目前，余先生為福州漢鼎網絡科技有限公司、福建十方文化傳播有限公司、瀋陽祝秦十方傳媒發展有限公司及北京漢鼎廣告有限公司（該等公司均為本公司的附屬公司）的董事。

Directors and Senior Management Profile

董事及高級管理層履歷

NON-EXECUTIVE DIRECTOR

Mr. Wang Ping, aged 42, 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.

Ms. Chen Min, aged 41, is a non-executive Director. She graduated from the Faculty of Arts, Fujian Normal University with a bachelor's degree in arts in June 1993 and a master's degree in arts specialising in contemporary Chinese drama in June 2002. She also obtained a doctorate degree in arts specialising in theatrical aesthetics from the Central Academy of Drama in June 2006. Ms. Chen had taken up various academic teaching posts at the College of Chinese Language and Literature Fujian Normal University between September 1993 and May 2007 and has been an associate professor of drama literature at the Central Academy of Drama since May 2007. Ms. Chen has also served as a secretary and a member of council of the China Branch of The International Association of Theatre Critics and a member of the expert panel of academic degrees and graduate education of the Ministry of Education of the PRC since May 2007. Ms. Chen currently is a non-executive director of China TopReach (listed and traded on the OTC Bulletin Board in the United States). She was appointed as our Director on December 20, 2011 and is also the sister of Mr. Chen Zhi, an executive Director and the chairman of the Company.

非執行董事

王平先生，42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。

陳敏女士，41歲，非執行董事。彼於一九九三年六月畢業於福建師範大學文學院，持有漢語言文學學士學位，並於二零零二年六月取得中國當代戲劇方面碩士學位。彼亦於二零零六年六月獲中央戲劇學院戲劇文學系戲劇美學方面博士學位。陳女士已於一九九三年九月至二零零七年五月期間於福建師範大學中國語言文學院承擔多個專業任教職務，並自二零零七年五月起在中央戲劇學院擔任戲劇文學系副教授。陳女士亦自二零零七年五月起任職國際戲劇評論家協會中國分會秘書、理事及中國教育部學位及研究生教育專家組成員。陳女士現任中國天瑞（於美國的場外交易議價板上市及買賣）的非執行董事。彼於二零一一年十二月二十日獲委任為本公司董事，亦為本公司執行董事兼主席陳志先生的胞妹。

Directors and Senior Management Profile

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhou Chang Ren, aged 64, 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，64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, aged 42, 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，42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, aged 49, 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.

Mr. Cai Jian Quan, aged 49, is an independent non-executive Director. He was appointed as our Director on 20 December 2011. He graduated from the Anhui University of Finance Economics with a bachelor's degree in financial accounting in July 1984. Mr. Cai was a finance manager of the finance department of Shanghai Baihuo Headquarters Watches and Glasses Branch between July 1984 and June 1992. He was the general manager of the sales department of Shenyin & Wanguo Securities Co. Ltd. between June 1992 and June 2002. He has also been the chairman of the board of directors of Shanghai Guantong Investment Co. Ltd. since September 2002.

卓澤淵先生，49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。

蔡建權先生，49歲，獨立非執行董事。彼於二零一一年十二月二十日獲委任為本公司董事。彼於一九八四年七月畢業於安徽財經大學，持有財務會計學學士學位。蔡先生自一九八四年七月至一九九二年六月為上海百貨總公司鐘錶眼鏡分公司財務部的財務經理。彼自一九九二年六月至二零零二年六月為申銀萬國證券股份有限公司的營業部總經理。彼自二零零二年九月以來亦一直為上海冠通投資有限公司的董事會主席。

Directors and Senior Management Profile

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. Huang Min Qiang, aged 48, is the vice president and the president of print media of the Company. He was an editor of the corporate newspaper of Fujian Mindong Motor Co., Ltd.* between 1983 and 1984, a reporter, an editor and the chief editor, successively, of the publisher of *China Special Zone Mechanical & Electrical** between 1985 and 1998, a reporter, an editor, the chief of the economy section, the chief editor of the news center of the features/supplement section and the chief editor of the provincial news center, successively, of *Strait News** between 1998 and 2002, a member of the editorial board of *Fujian Economic Express** between 2002 and 2003, and the assistant to the chief editor of *Strait News*. He was the deputy chief editor, executive chief editor and chief editor of *DNKB** between 2004 and 2011 and had been fully in charge of the publishing house since 2005. He has been the vice president of the advertising operation center of the Company since July 2011. Mr. Huang graduated from Fujian Mechanical & Electrical School majoring in machinery production in 1983 and obtained a professional certificate in the Chinese language and literature after studying in Fuzhou Amateur University between 1984 and 1988. Having worked in various kinds of media for over 20 years, Mr. Huang has accumulated broad experience in the operation and management of media.

Mr. Pan Jian Ping, aged 39, is a vice president of finance and 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.

高級管理層

黃敏強先生，48歲，本公司副總裁兼平面媒體總裁。他於一九八三年至一九八四年在閩東電機公司擔任企業報編輯；於一九八五年至一九九八年在《中國特區機電》雜誌社歷任記者、編輯、編輯部主任；於一九九八年至二零零二年在《海峽都市報》歷任記者、編輯、經濟部主任、專副刊新聞中心主編、省內新聞中心主編；於二零零二年至二零零三年任《經濟快報》編委、《海峽都市報》總編輯助理；於二零零四年至二零一一年任《東南快報》副總編輯、執行總編、總編輯，並於二零零五年起全面主持報社工作；於二零一一年七月起任本公司廣告運營中心副總裁。黃先生於一九八三年畢業於福建機電學校機械製造專業，並於一九八四年至一九八八年在福州業餘大學深造，獲漢語言文學專業文憑。黃先生20餘年在各類傳媒的履職經歷，積累了豐富的傳媒運營管理經驗。

潘建平先生，39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。

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

COMPANY SECRETARY

Ms. Chan Ching Yi, aged 37 is our company secretary. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Ms. Chan holds a bachelor's degree in accountancy and has accumulated more than 15 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.

公司秘書

陳靜儀女士，37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。陳女士持有會計學學士學位，並積累了逾15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 2011.

PRINCIPAL ACTIVITIES

The Company is 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.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated statement of comprehensive income on page 83.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2011 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 five financial years is set out on pages 5 to 6.

PROPERTY, PLANT AND EQUIPMENT

During the year of 2011, the Group had acquired property, plant and equipment of approximately RMB18.8 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 2011 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 20 to the consolidated financial statements.

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」)截至二零一一年十二月三十一日止年度的經審核財務報表。

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。

業績及分配

本集團截至二零一一年十二月三十一日止年度的業績載於第83頁的合併全面收益表。

董事不建議派付截至二零一一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

本集團於過往五個財政年度的業績、資產及負債概要載於第5至6頁。

物業、廠房及設備

於二零一一年度,本集團為其印刷機器及辦公室設備升級而收購約人民幣18.8百萬元物業、廠房及設備。

上述及二零一一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20。

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

For the year ended 31 December 2011 and subsequent to the reporting date, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/Year	年度/月份	Number of shares repurchased 已購回 股份數目	Highest price per share 每股最高價 HK\$ 港元	Lowest price per share 每股最低價 HK\$ 港元	Aggregate consideration (excluding expenses) 總代價 (不包括開支)
					HK\$ 港元
August 2011	二零一一年八月	604,000	0.90	0.82	527,381
September 2011	二零一一年九月	11,619,000	1.12	0.93	12,190,914

For the year ended 31 December 2011, the Company repurchased a total of 12,223,000 ordinary shares of HK\$0.1 each in the capital of the Company and were all cancelled in October 2011. Accordingly, the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company.

Subsequent to the reporting date, the Company has not redeemed any of its listed shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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

截至二零一一年十二月三十一日止年度及於報告日期後，本公司按下述方式於香港聯合交易所有限公司購回其本身股份：

Number of shares repurchased 已購回 股份數目	Highest price per share 每股最高價 HK\$ 港元	Lowest price per share 每股最低價 HK\$ 港元	Aggregate consideration (excluding expenses) 總代價 (不包括開支)
			HK\$ 港元
604,000	0.90	0.82	527,381
11,619,000	1.12	0.93	12,190,914

截至二零一一年十二月三十一日止年度，本公司已購回合共12,223,000股本公司股本中每股面值0.1港元的普通股，並於二零一一年十月註銷全部該等股份。因此，本公司已發行股本已扣減相關面值。購回應付的溢價已於本公司的股份溢價賬扣除。

於報告日期後，本公司並無購回其任何上市股份。

除上文所披露者外，年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

董事會報告

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 21 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 2011 was approximately RMB1,156.1 million.

DONATIONS

No charitable and other donations has been made by the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year of 2011, the aggregate sales attributable to the Group's five largest customers comprised approximately 14.0% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 4.2% of the Group's total sales.

The aggregate purchases during the year of 2011 attributable to the Group's five largest suppliers were approximately 62.7% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 16.7% of the Group's total purchases.

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21及合併權益變動表。

可供分派儲備

截至二零一一年十二月三十一日，本公司可供分派予股東的儲備金額約為人民幣1,156.1百萬元。

捐款

本集團年內並無作出慈善及其他捐款。

主要客戶及供應商

於二零一一年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約14.0%，而本集團最大客戶應佔銷售額佔本集團總銷售額約4.2%。

於二零一一年度，本集團五大供應商應佔購貨總額佔本集團總購貨額約62.7%，而本集團最大供應商應佔購貨額佔本集團總購貨額約16.7%。

Directors' Report 董事會報告

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)

Mr. Yu Shi Quan (appointed on 20 December 2011)

Non-executive directors:

Mr. Wang Ping (appointed on 18 January 2010)

Ms. Chen Min (appointed on 20 December 2011)

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)

Mr. Cai Jian Quan (appointed on 20 December 2011)

In accordance with the Articles, one-third of the Directors will retire and, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company. Moreover, the Directors appointed during the year will hold office until the forthcoming annual general meeting of the Company and will be eligible for re-election.

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（主席兼首席執行官，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）

余詩權先生

（於二零一一年十二月二十日獲委任）

非執行董事：

王平先生（於二零一零年一月十八日獲委任）

陳敏女士

（於二零一一年十二月二十日獲委任）

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）

蔡建權先生

（於二零一一年十二月二十日獲委任）

按照細則，三分一的董事將於本公司應屆股東週年大會上退任，並符合資格且願意於會上膺選連任。此外，於年內獲委任的董事，其任期直至本公司應屆股東週年大會為止，並符合資格於會上膺選連任。

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 36 to 45.

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, Mr. Zhuo Ze Yuan, Mr. Cai Jian Quan 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 3 December 2010 when the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong (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.

董事及高級管理層履歷

本集團董事及高級管理層履歷詳情載於第36至45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、卓澤淵先生及蔡建權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，由二零一零年十二月三日（本公司股份於香港聯交所主板上市當日，「上市日期」）起為期三年，可由任何一方向另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向另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不可由本公司於一年內免付賠償（法定賠償除外）而終止的服務合約。

Directors' Report 董事會報告

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 Directors 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 26 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 2011 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26。

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，於二零一一年度，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 2011.

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

於截至二零一一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；

Directors' Report 董事會報告

- (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 3.81% 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3.81%）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	No. of share options 購股權數目				Exercised during the year	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
		Outstanding as at the beginning of the year	Granted during the year	Lapsed during the year	Outstanding as at the year end				
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	
Mr. Chen Zhi, Executive Director 陳志先生·執行董事	1.82	10,433,339	-	-	-	10,433,339	1.4%	(note 1)	
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%	(note 1)	
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%	(note 1)	
Mr. Yu Shi Quan, Executive Director 余詩權先生·執行董事	1.82	1,098,246	-	-	-	1,098,246	0.2%	(note 1)	
Mr. Wang Ping, Non-executive Director 王平先生·非執行董事	1.82	549,123	-	-	-	549,123	0.1%	(note 1)	
Mr. Chan Chun Kau, General Counsel 陳振球先生·總顧問	1.82	1,647,369	-	-	-	1,647,369	0.2%	(note 1)	
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%	(note 1)	
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%	(note 1)	

Note 1:

Each of the grantees to whom the options have been granted under the Pre-IPO Share Option Scheme is entitled to exercise:

- up to 40% of the shares that are subject to the options granted to the relevant grantee at any time during the period commencing on 26 February 2011, a year after grant date, and ending on 2 December 2014;
- up to 70% of the shares that are subject to the options granted to the relevant grantee at any time during the period commencing on 26 February 2012, two year after grant date, and ending on 2 December 2014;

附註1:

根據首次公開發售前購股權計劃獲授購股權的每名承授人有權按下列方式行使其購股權：

- 相關承授人於二零一一年二月二十六日（即授出日期後一年）起至二零一四年十二月二日止期間內可隨時行使獲授購股權中涉及最高40%股份的購股權；
- 相關承授人於二零一二年二月二十六日（即授出日期後兩年）起至二零一四年十二月二日止期間內可隨時行使獲授購股權中涉及最高70%股份的購股權；

Directors' Report 董事會報告

- (iii) up to 100% of the shares that are subject to the options granted to the relevant grantee at any time during the period commencing on 26 February 2013, three year after grant date, and ending on 2 December 2014;

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

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.

- (iii) 相關承授人於二零一三年二月二十六日(即授出日期後三年)起至二零一四年十二月二日止期間內可隨時行使獲授購股權中涉及最高100%股份的購股權;

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。

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(iii)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年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.

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 2011, no share option had been granted under the Post-IPO Share Option Scheme.

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。

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。

截至二零一一年十二月三十一日，並無根據首次公開發售後購股權計劃授出任何購股權。

Directors' Report 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2011, 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 陳志先生	Interest in controlled corporation 於受控制法團的權益	42,998,170 (note 1)	6.0%
Mr. Chen Zhi 陳志先生	Beneficial Owner 實益擁有人	390,000 390,000	0.1%
Mr. Hong Pei Feng 洪培峰先生	Interest in controlled corporation 於受控制法團的權益	15,859,804 (note 2)	2.2%
Mr. Yu Shi Quan 余詩權先生	Interest in controlled corporation 於受控制法團的權益	21,142,026 (note 3)	2.9%
		21,142,026 (附註3)	2.9%

董事於股份及相關股份的權益及淡倉

於二零一一年十二月三十一日，董事於本公司或其相聯法團（定義見證券及期貨條例（「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 Keep Profit International Capital Limited, which Mr. Yu owns 30% of the shareholding.

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) 該等股份由余先生擁有30%股權的創盈國際資本有限公司持有。

(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. 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. Yu Shi Quan 余詩權先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 3) 中國天瑞(附註3)	5.4%
Mr. Wang Ping 王平先生	Interest in controlled corporation 於受控制法團的權益	China TopReach (note 4) 中國天瑞(附註4)	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 5) 中國天瑞(附註5)	2.0%

Directors' Report 董事會報告

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 Keep Profit International Capital Limited, which Mr. Yu owns 30% of the shareholding.
- (4) 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%.
- (5) 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余先生擁有30%股權的創盈國際資本有限公司持有。
- (4) 於中國天瑞的該等權益由中科持有。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王平先生擁有54.94%股權。
- (5) 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
董事姓名	權益性質		相關股份總數	權益概約百分比
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. Yu Shi Quan 余詩權先生	Personal 個人	Share Option 購股權	1,098,246 1,098,246	0.2% 0.2%
Mr. Wang Ping 王平先生	Personal 個人	Share Option 購股權	549,123 549,123	0.1% 0.1%

Directors' Report

董事會報告

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 2011, 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

於二零一一年十二月三十一日，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	44.4% 44.4%
TopBig International 昇平國際	Beneficial Owner 實益擁有人	42,998,170 42,998,170	6.0% 6.0%
Pride Sky Pride Sky	Beneficial Owner 實益擁有人	42,606,606 42,606,606	5.9% 5.9%
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	5.9% 5.9%
Templeton 鄧普頓	Interest in controlled corporation (note 2) 於受控制法團的權益（附註2）	42,606,606 42,606,606	5.9% 5.9%

Directors' Report 董事會報告

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) 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 2011.

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) 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期公司，在新興市場作出戰略投資，由Templeton Asset Management Ltd管理。

除本文所披露者外，於二零一一年十二月三十一日，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。

Directors' Report

董事會報告

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Structure Contracts

As the original shareholders of Beijing HongXinTu, including Mr. Zhang Jin Gui, Mr. Chen Zhi, Mr. Qiang Yi Bin and Ms. Lin Yu Lin, were replaced by Mr. Zheng Bo Ling, Mr. Qiang Yi Bin and Mr. Xu Kai Ning respectively as the new shareholders of Beijing HongXinTu on 30 June 2011 in accordance with the Structure Contracts, whose registered capital is owned as to 40% by Mr. Zheng Bo Ling, 30% by Mr. Qiang Yi Bin and 30% by Mr. Xu Kai Ning, the new shareholders of Beijing HongXinTu have entered into the Structure Contracts with the Company in order to continue and secure the transactions under the 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. Zheng Bo Ling, Mr. Qiang Yi Bin, Mr. Xu Kai Ning and Fujian ShiFang. Each of Mr. Zheng Bo Ling and Mr. Qiang Yi Bin are associates of Mr. Chen Zhi and Mr. Hong Pei Feng respectively and therefore are Connected Persons of the Company. Furthermore, Mr. Xu Kai Ning, being a shareholder of Keep Profit International Capital Limited and a party to the Olympia Media Concert Parties which are controlling shareholders of the Company, 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

由於北京鴻馨圖的原股東（包括張錦貴先生、陳志先生、強亦彬先生及林育琳女士）於二零一一年六月三十日根據架構合約分別被鄭柏齡先生、強亦彬先生及許開寧先生作為北京鴻馨圖的新股東代替，而鄭柏齡先生、強亦彬先生及許開寧先生分別擁有40%、30%及30%註冊資本，故北京鴻馨圖的新股東與本公司訂立架構合約，以繼續進行並維持架構合約項下的交易。

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）鄭柏齡先生、強亦彬先生、許開寧先生與福建十方訂立。鄭柏齡先生及強亦彬先生各自分別為陳志先生及洪培峰先生的聯繫人，因此也是本公司的關連人士。此外，許開寧先生為創盈國際資本有限公司的股東及奧海傳媒的一致行動人士之一，而該等人士為本公司的控股股東，因此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份北京鴻馨圖的全部股權。由於根據由中國國家發展和改革委員會及中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。

Directors' Report

董事會報告

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 report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. 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;

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根據香港會計師公會頒佈的香港核證委聘準則第3000號「歷史財務資料審計或審閱以外的核證聘用」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。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；

Directors' Report 董事會報告

- (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
 - (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.
- (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) 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,且符合股東整體利益。

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 2011.

除上文所披露者外,於截至二零一一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。

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.

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。

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 38 to the financial statements.

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38。

Directors' Report

董事會報告

AUDITORS

The consolidated financial statements have been audited by PricewaterhouseCoopers who will 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

27 March 2012

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、首席執行官兼執行董事

香港

二零一二年三月二十七日

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 of the Code 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 corporate governance principles and the practices adopted and observed by the Company during the year ended 31 December 2011.

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起，本公司已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14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。除下文披露者外，董事會認為本公司已遵守企業管治守則所載的守則條文。

下文載列本公司於截至二零一一年十二月三十一日止年度採納及遵循的企業管治原則及常規。

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。

Corporate Governance Report

企業管治報告

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 10 Directors, 4 of whom are executive Directors and 2 of whom is non-executive Director and 4 of whom are independent non-executive Directors. The biographies of all Directors are set out on pages 36 to 43 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.

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.

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。

董事會成員包括十名董事，四名為執行董事，兩名為非執行董事，其餘四名為獨立非執行董事。各董事的履歷載於本年報第36至43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。

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。

Corporate Governance Report 企業管治報告

During the period under review, the Board convened 4 board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meetings and 1 Nomination Committee meetings respectively. Mr. Yu Shi Quan, Ms. Chen Min and Mr. Cai Jian Quan were newly appointed as the Company's Director on 20 December 2011, which the Board only convene 1 board meeting after their appointment. The attendance of individual Directors at meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee is as follows:

於回顧期間，董事會分別曾召開四次董事會會議、兩次審核委員會會議、一次薪酬委員會會議及一次提名委員會會議。余詩權先生、陳敏女士及蔡建權先生於二零一一年十二月二十日獲委任為本公司新任董事，而自彼等獲委任以來，董事會僅曾召開一次董事會會議。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 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 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)	4/4	N/A 不適用	1/1	1/1
Hong Pei Feng	洪培峰	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Zhang Tie Zhu (Chief Financial Officer)	張鐵柱 (首席財務官)	3/4	N/A 不適用	N/A 不適用	N/A 不適用
Yu Shi Quan (i)	余詩權(i)	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors	非執行董事				
Wang Ping	王平	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Chen Min (i)	陳敏(i)	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事				
Wong Heung Ming, Henry	黃向明	4/4	2/2	1/1	1/1
Zhou Chang Ren	周昌仁	4/4	2/2	1/1	N/A 不適用
Zhuo Ze Yuan	卓澤淵	4/4	2/2	N/A 不適用	1/1
Cai Jian Quan (i)	蔡建權(i)	1/1	N/A 不適用	N/A 不適用	N/A 不適用

(i) Appointed on 20 December 2011

(i) 於二零一一年十二月二十日獲委任

Corporate Governance Report

企業管治報告

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 four 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，委任四名獨立非執行董事，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, 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 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，為期三年，可由任何一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10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的責任。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。

Corporate Governance Report

企業管治報告

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. In compliance with the amendments to the Listing Rules which will become effective on 1 April 2012, the Board adopted revised terms of reference for the Audit Committee on 27 March 2012. 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 annual results and annual report of the Group for the year ended 31 December, 2011, 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。為遵守於二零一二年四月一日生效的上市規則修訂，董事會已於二零一二年三月二十七日採納經修訂的審核委員會職權範圍。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集團截至二零一一年十二月三十一日止年度的年度業績及年報，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 year ended 31 December 2011, 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 Audit Committee 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. In compliance with the amendments to the Listing Rules which will become effective on 1 April 2012, the Board adopted revised terms of reference for the Remuneration Committee on 27 March 2012. 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.

截至二零一一年十二月三十一日止年度，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。審核委員會亦在執行董事及管理層不出席的情況下，與本公司的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。為遵守於二零一二年四月一日生效的上市規則修訂，董事會已於二零一二年三月二十七日採納經修訂的薪酬委員會職權範圍。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。

Corporate Governance Report

企業管治報告

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. In compliance with the amendments to the Listing Rules which will become effective on 1 April 2012, the Board adopted revised terms of reference for the Nomination Committee on 27 March 2012. 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.

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, 2011 which reflect true and fair view of the financial position of the Company and 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。為遵守於二零一二年四月一日生效的上市規則修訂，董事會已於二零一二年三月二十七日採納經修訂的提名委員會職權範圍。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。

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二零一一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公司及本集團的財務狀況，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 PWC as the Group's external auditor. The statement by PWC 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 76 to 78 of this annual report.

During the year ended 31 December, 2011, the remuneration paid or payable to PWC for audit services, audit related services and non-audit services amounted to RMB2,484,000 (2010: RMB811,000), RMB1,324,000 (2010: RMB12,191,000) and RMB9,000 (2010: 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 year ended 31 December 2011, 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 AGM.

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76至78頁的獨立核數師報告內。

於截至二零一一年十二月三十一日止年度，就審核服務、審核相關服務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2,484,000元（二零一零年：人民幣811,000元）、人民幣1,324,000元（二零一零年：人民幣12,191,000元）及人民幣9,000元（二零一零年：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。於截至二零一一年十二月三十一日止年度，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。

Independent Auditor's Report 獨立核數師報告



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 79 to 208, which comprise the consolidated and company balance sheets as at 31 December 2011, 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.

羅兵咸永道

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79至208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二零一一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。

審計涉及執执行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 31 December 2011, 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, 27 March 2012

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二零一一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，二零一二年三月二十七日

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2011

於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 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	61,359	51,315
Investment properties	投資物業	8	1,975	1,817
Intangible assets	無形資產	9	52,307	4,198
Interest in an associate	於聯營公司的權益	10	40,393	–
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12	447,500	190,000
			603,534	247,330
Current assets	流動資產			
Inventories	存貨	14	8,245	5,287
Assets held for sale	持作出售資產	13	29,336	29,848
Trade receivables – net	貿易應收款項－淨額	11	259,669	254,629
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12	294,649	187,773
Amounts due from related parties	應收關連人士款項	33(c)	4,829	14,135
Cash and cash equivalents	現金及現金等值項目	15	214,377	546,001
			811,105	1,037,673
Total assets	總資產		1,414,639	1,285,003
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	20	62,863	63,860
Share premium	股份溢價	20	530,900	540,311
Other reserves	其他儲備	21	104,017	91,268
Retained earnings	保留溢利		421,265	375,675
			1,119,045	1,071,114
Non-controlling interests	非控股權益		37,005	472
Total equity	權益總額		1,156,050	1,071,586

Consolidated Balance Sheet**合併資產負債表**

As at 31 December 2011

於二零一一年十二月三十一日

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowing	借款	17	1,006	2,789
Amount due to a related party	應付關連人士款項	33(c)	68,600	–
Deferred income tax liabilities	遞延所得稅負債	19	7,397	–
			77,003	2,789
Current liabilities	流動負債			
Trade payables	貿易應付款項	18	4,147	4,164
Other payables and accrued expenses	其他應付款項及應計開支	18	86,668	114,825
Current income tax liabilities	即期所得稅負債		40,967	34,678
Borrowings	借款	17	48,522	51,818
Amounts due to related parties	應付關連人士款項	33(c)	1,282	5,143
			181,586	210,628
Total liabilities	總負債		258,589	213,417
Total equity and liabilities	權益及負債總額		1,414,639	1,285,003
Net current assets	流動資產淨值		629,519	827,045
Total assets less current liabilities	總資產減流動負債		1,233,053	1,074,375

Approved and authorised for issue by the Board of Directors on 27 March 2012 and signed on behalf of the Board by:

經董事會於二零一二年三月二十七日批准並授權刊發，並由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 86 to 208 are an integral part of these financial statements.

第86至208頁的附註屬此等財務報表的重要部分。

Balance Sheet
資產負債表

As at 31 December 2011

於二零一一年十二月三十一日

		Note	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Investment in subsidiaries	於附屬公司的投資	22	<u>5,118</u>	<u>342</u>
			<u>5,118</u>	<u>342</u>
Current assets	流動資產			
Prepayment and other receivable	預付款項及其他應收款項	12	<u>26,789</u>	<u>26,672</u>
Amounts due from subsidiaries	應收附屬公司款項	23	<u>662,497</u>	<u>494,220</u>
Cash and cash equivalents	現金及現金等值項目	15	<u>1,675</u>	<u>189,801</u>
			<u>690,961</u>	<u>710,693</u>
Total assets	總資產		<u><u>696,079</u></u>	<u><u>711,035</u></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	20	<u>62,863</u>	<u>63,860</u>
Share premium	股份溢價	20	<u>530,900</u>	<u>540,311</u>
Equity-based compensation reserves	以股權為基礎的薪酬儲備	21	<u>10,624</u>	<u>5,263</u>
Accumulated deficits	累計虧絀	21	<u>(19,238)</u>	<u>(5,520)</u>
			<u>585,149</u>	<u>603,914</u>
Total equity	權益總額		<u><u>585,149</u></u>	<u><u>603,914</u></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	18	<u>27,710</u>	<u>26,930</u>
Amounts due to subsidiaries	應付附屬公司款項	23	<u>83,220</u>	<u>80,191</u>
			<u>110,930</u>	<u>107,121</u>
Total liabilities	總負債		<u><u>110,930</u></u>	<u><u>107,121</u></u>

Balance Sheet**資產負債表**

As at 31 December 2011

於二零一一年十二月三十一日

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Note 附註		
Total equity and liabilities	權益及負債總額	696,079	711,035
Net current assets	流動資產淨值	580,031	603,572
Total assets less current liabilities	總資產減流動負債	585,149	603,914

Approved and authorised for issue by the Board of Directors on 27 March 2012 and signed on behalf of the Board by:

經董事會於二零一二年三月二十七日批准並授權刊發，並由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 86 to 208 are an integral part of these financial statements.

第86至208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

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Revenues	收入	5	529,034	529,940
Cost of sales	銷售成本	25	(262,729)	(274,144)
Gross profit	毛利		266,305	255,796
Selling and marketing expenses	銷售及營銷開支	25	(38,049)	(26,770)
General and administrative expenses	一般及行政開支	25	(156,292)	(51,994)
Other income – net	其他收入 – 淨額	24	10,077	9,591
Operating profit	經營溢利		82,041	186,623
Finance income	融資收益	27	2,472	274
Finance costs	融資成本	27	(1,687)	(1,462)
Finance income/(costs) – net	融資收益 / (成本) – 淨額	27	785	(1,188)
Share of loss of an associate	應佔聯營公司虧損	10	(307)	–
Profit before income tax	除所得稅前溢利		82,519	185,435
Income tax expenses	所得稅開支	28	(23,498)	(24,355)
Profit for the year	年內溢利		59,021	161,080
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		59,021	161,999
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		52,978	161,095
– Non-controlling interests	– 非控股權益		6,043	(15)
			59,021	161,080
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		52,978	162,014
– Non-controlling interests	– 非控股權益		6,043	(15)
			59,021	161,999
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)	29	0.0727	0.2858
– Diluted (RMB per share)	– 攤薄 (每股人民幣)	29	0.0727	0.2824
Dividend	股息	30	–	–

The notes on pages 86 to 208 are an integral part of these financial statements.

第86至208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

For the year ended 31 December 2011

截至二零一一年十二月三十一日止年度

		Share Capital	Share premium	Capital redemption reserve	Capital reserves	Revaluation reserve	Equity-based compensation reserves	Statutory Reserves	Retained Earnings	Total	Non-controlling interests	Total Equity
	Note	股本	股份溢價	贖回儲備	資本儲備	重估儲備	薪酬儲備	法定儲備	保留溢利	總計	非控股權益	權益總額
	附註	RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2011	於二零一一年一月一日的結餘	63,860	540,311	-	60,454	919	5,263	24,632	375,675	1,071,114	472	1,071,586
Comprehensive income	全面收益											
Profit for the year	年內溢利	-	-	-	-	-	-	-	52,978	52,978	6,043	59,021
Total comprehensive income	全面收益總額	-	-	-	-	-	-	-	52,978	52,978	6,043	59,021
Transactions with owners	與擁有人的交易											
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	-	-	-	6,391	(6,391)	-	-	-
Non-controlling interests arising from formation of subsidiaries	成立附屬公司所產生的非控股權益	-	-	-	-	-	-	-	-	-	30,490	30,490
Equity-based compensation	以股權為基礎的薪酬	35	-	-	-	-	5,361	-	-	5,361	-	5,361
Repurchase and cancellation of shares	購回及註銷股份	20	(997)	997	-	-	-	-	(997)	(10,408)	-	(10,408)
Total transactions with owners	與擁有人的交易總額		(997)	997	-	-	5,361	6,391	(7,388)	(5,047)	30,490	25,443
Balance at 31 December 2011	於二零一一年十二月三十一日的結餘	62,863	530,900	997	60,454	919	10,624	31,023	421,265	1,119,045	37,005	1,156,050

		Share capital	Share premium	Capital reserves	Revaluation reserve	Equity-based compensation reserves	Statutory Reserves	Retained Earnings	Total	Non-controlling interests	Total Equity
	Note	股本	股份溢價	資本儲備	重估儲備	薪酬儲備	法定儲備	保留溢利	總計	非控股權益	權益總額
	附註	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2010	於二零一零年一月一日的結餘	-	-	62,081	-	-	19,042	220,170	301,293	487	301,780
Comprehensive income	全面收益										
Profit/(loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	161,095	161,095	(15)	161,080
Revaluation surplus	重估盈餘	-	-	-	919	-	-	-	919	-	919
Total comprehensive income	全面收益總額	-	-	-	919	-	-	161,095	162,014	(15)	161,999
Transactions with owners	與擁有人的交易										
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	-	-	5,590	(5,590)	-	-	-
Contributions from equity holders	權益持有人出資	20	48,284	190,657	-	-	-	-	238,941	-	238,941
Issuance of share capital	發行股本	-	342	(342)	-	-	-	-	-	-	-
Share issuance costs	股份發行成本	-	-	(1,285)	-	-	-	-	(1,285)	-	(1,285)
Equity-based compensation	以股權為基礎的薪酬	35	-	-	-	5,263	-	-	5,263	-	5,263
Issue of shares in connection with the Global Offering	就全球發售發行股份	20	15,576	456,365	-	-	-	-	471,941	-	471,941
Share issuance costs in connection with the Global Offering	有關全球發售的股份發行成本	-	(107,053)	-	-	-	-	-	(107,053)	-	(107,053)
Total transactions with owners	與擁有人的交易總額		63,860	540,311	(1,627)	5,263	5,590	(5,590)	607,807	-	607,807
Balance at 31 December 2010	於二零一零年十二月三十一日的結餘	63,860	540,311	60,454	919	5,263	24,632	375,675	1,071,114	472	1,071,586

The notes on pages 86 to 208 are an integral part of these financial statements.

第86至208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

For the year ended 31 December 2011
截至二零一一年十二月三十一日止年度

		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
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	31	22,628	85,692
Interest received	已收利息	27	2,472	274
Interest paid	已付利息	27	(1,687)	(1,462)
Income tax paid	已付所得稅		(18,955)	(17,742)
Net cash generated from operating activities	經營業務所得現金淨額		4,458	66,762
Cash flows from investing activities	投資活動所得現金流量			
Prepayment for long term investments	長期投資的預付款項	12	(75,000)	(98,000)
Acquisition of a business	收購一項業務	36	(40,000)	-
Investment in an associate	於聯營公司的投資	10	(40,700)	-
Additions of property, plant and equipment	物業、廠房及設備添置	7	(18,806)	(23,955)
Additions of intangible assets	無形資產添置	9	(8,575)	(1,030)
Deposits to newspaper publishers and for marketing and promotion projects	給予報紙出版商以及營銷及宣傳項目的按金		(208,750)	(32,000)
Return of deposits from a marketing and promotion project	退回營銷及宣傳項目的按金		8,750	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	31(b)	154	151
Net cash used in investing activities	投資活動所用現金淨額		(382,927)	(154,834)
Cash flows from financing activities	融資活動所得現金流量			
Capital contribution from equity holders of the Company	本公司權益持有人注資	20	-	238,941
Repurchase of shares of the Company	購回本公司股份	20	(10,408)	-
Proceeds from borrowings	借款所得款項		47,000	54,607
Repayment of borrowings	償還借款		(52,079)	(47,260)
Advance from a related party	關連人士墊款		68,600	-
Proceeds from loans from related parties	支取來自關連人士的貸款		-	8,656
Capital contribution from non-controlling interests	非控股權益注資	33(c)	30,016	-
Repayment of loans from related parties	償還關連人士貸款		-	(64,125)
Proceeds from issuance of ordinary shares pursuant to the global offering of the Company's shares	依據全球發售本公司股份發行普通股所得款項	20	-	471,941
Payments for share issuance costs	支付股份發行成本		(36,284)	(69,330)
Net cash generated from financing activities	融資活動所得現金淨額		46,845	593,430
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額		(331,624)	505,358
Cash and cash equivalents at beginning of the year	年初的現金及現金等值項目	15	546,001	40,643
Cash and cash equivalents at end of the year	年末的現金及現金等值項目		214,377	546,001

The notes on pages 86 to 208 are an integral part of these financial statements.

第86至208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

Shifang Holding Limited (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 Company was incorporated in the Cayman Islands on 9 December 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.

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 27 March 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Shifang Holding Limited 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

十方控股有限公司(「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。

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二零一二年三月二十七日批准刊發。

2 主要會計政策概要

2.1 編製基準

十方控股有限公司的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 (continued)

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.

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

Notwithstanding that the Group has net cash outflow of RMB331,624,000 for the year ended 31 December 2011, the Group had cash and cash equivalents of RMB214,377,000. Based on the directors' review of the Group's cash flow projections, including the Group's expected cash flows from operations and banking facilities that will be available beyond 31 December 2012, the Group is expected to have sufficient financial resources to satisfy its future working capital requirements as at 31 December 2012 and other financial obligations as and when required. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

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。

下文載列編製此等合併財務報表時所應用的主要會計政策。除另有說明者外，該等政策已於所有呈報年度貫徹應用。

儘管本集團於截至二零一一年十二月三十一日止年度錄得現金流出淨額人民幣331,624,000元，惟本集團擁有現金及現金等值項目人民幣214,377,000元。根據董事對本集團現金流量預測（包括本集團預期於二零一二年十二月三十一日後的經營活動現金流量及可供動用的銀行融資）的審閱結果，預期本集團具備充足財務資源應付截至二零一二年十二月三十一日的未來營運資金需求以及其他到期所需財務責任。因此，董事認為根據持續經營基準編製本集團的合併財務報表乃屬恰當。

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

(a) New and amended standards effective in 2011

The Group has adopted the following new and amended standards and interpretation as at 1 January 2011:

IAS 24 (Revised)	Related party disclosures
IAS 32 (Amendment)	Classification of rights issues
IFRIC – Int 19	Extinguishing financial liabilities with equity instruments
Amendment to IFRIC – Int 14	Prepayments of a minimum funding requirement
Amendment to IFRS 1	Limited exemption from comparative IFRS 7 disclosures for first-time adopters
Annual Improvements Project	Third annual improvements projects (2010) published in May 2010

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

(a) 於二零一一年生效的新訂及經修訂準則

本集團已於二零一一年一月一日採納下列新訂及經修訂準則及詮釋：

國際會計準則第24號 (經修訂)	關連人士披露
國際會計準則第32號 (修訂本)	供股分類
國際財務報告詮釋委員會 – 詮釋第19號	以股本工具抵銷金融負債
國際財務報告詮釋委員會 – 詮釋第14號 (修訂本)	最低資金要求的預付款
國際財務報告準則第1號 (修訂本)	首次採納者根據國際財務報告準則第7號可比較披露資料的有限豁免
年度改進項目	於二零一零年五月頒佈的第三批年度改進項目 (二零一零年)

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 2011 (continued)*

IAS 24 (Revised) "Related party disclosures"

The revised standard introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose:

- the name of the government and the nature of their relationship; and
- the nature and amount of any individually-significant transactions; and
- the extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party.

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) *於二零一一年生效的新訂及經修訂準則 (續)*

國際會計準則第24號 (經修訂)「關連人士披露」

此經修訂準則引進對國際會計準則第24號有關政府相關實體與政府進行交易的所有披露規定的豁免。該等披露由下列各項披露規定取代：

- 政府名稱與關係性質；及
- 任何個別重大交易的性質及數額；及
- 整體而言重大的任何交易在意義上或數額上的程度。

此經修訂準則亦澄清及簡化關連人士的定義。

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)

(a) *New and amended standards effective in 2011 (continued)*

IAS 32 (Amendment) "Classification of rights issues"

Rights issues are now required to be classified as equity if they are issued for a fixed amount of cash regardless of the currency in which the exercise price is denominated, provided they are offered on a pro rata basis to all owners of the same class of non-derivative equity. Entities will no longer classify rights issues, for which non-derivative the exercise price is denominated in a foreign currency, as derivative liabilities with fair value changes being recorded in profit or loss. Rather, entities will be able to classify these rights in equity with no re-measurement.

The scope of the amendment is narrow and does not extend to foreign-currency-denominated convertible bonds. For these instruments, the embedded option to acquire the issuer's equity will continue to be accounted for as a derivative liability with fair value changes recorded in profit or loss.

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) *於二零一一年生效的新訂及經修訂準則 (續)*

國際會計準則第32號(修訂本)「供股的分類」

只要供股是為定額現金發行，則無論是以何種貨幣計算行使價，供股現需歸類為權益，惟供股須按比例向所有相同類別非衍生權益的擁有人發行。對於以外幣計算非衍生工具行使價的供股，實體不再將供股分類為公允價值變動計入損益的衍生負債。取而代之，實體可將其供股歸入無需重新計量的權益類別。

此項修訂的範疇狹窄且不適用於以外幣計值的可換股債券。就該等工具而言，收購發行人權益的嵌入式期權將繼續計入公允價值變動計入損益的衍生負債。

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 2011 (continued)*

IFRIC – Int 19 “Extinguishing financial liabilities with equity instruments”

The interpretation clarifies the accounting by the debtor when the debtor renegotiates the terms of its debt with the result that the liability is extinguished through issuing its own equity instruments to the creditor (i.e. a “debt for equity swap”). A gain or loss recognised in profit or loss is the difference between the fair value of the equity instruments issued and the carrying amount of the financial liability.

If the fair value of the equity instruments cannot be reliably measured then the fair value of the existing financial liability is used to measure the gain or loss.

The amount of the gain or loss should be separately disclosed on the face of the statement of comprehensive income or in the notes.

This interpretation applies to all debtors that enter into debt for equity swap transactions in full or partial settlement of a financial liability.

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) 於二零一一年生效的新訂及經修訂準則 (續)

國際財務報告詮釋委員會－詮釋第19號「以股本工具抵銷金融負債」

此項詮釋澄清當債務人重新商討其債務條款時，透過向債權人發行權益工具以消除負債（即「以債換股」）的會計處理方法。在損益賬中確認的損益為已發行權益工具的公允價值與金融負債的賬面值之間的差額。

如權益工具的公允價值未能可靠計量，則以現有金融負債的公允價值計量損益。

損益的金額必須在全面收益表或附註中個別披露。

此項詮釋適用於所有訂立以債換股交易來結算全部或部分金融負債的債務人。

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 2011 (continued)*

Amendment to IFRIC – Int 14 “Prepayments of a minimum funding requirement”

Some entities that are subject to a minimum funding requirement have elected to prepay their pension contributions. The prepaid contributions are recovered through lower minimum funding requirements in future years. The previous version of IFRIC 14 did not permit the recognition of an asset for any surplus arising from the voluntary prepayment of minimum funding contributions in respect of future service. This was an unintended consequence of the interpretation, which has been amended to require that an asset is recognised in these circumstances.

Amendment to IFRS 1 “Limited exemption from comparative IFRS 7 disclosures for first-time adopters”

The amendment is to provide first-time adopters with the same transition provisions as included in the March 2009 amendment to IFRS 7 in relation to relief from presenting comparative information that ended before 31 December 2009 for new fair value disclosures requirement.

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) 於二零一一年生效的新訂及經修訂準則 (續)

國際財務報告詮釋委員會－詮釋第14號「最低資金要求的預付款」的修訂

若干受最低資金規定限制的實體已選擇預付其退休金供款。預付供款透過未來年度的較低水平的最低資金規定收回。原國際財務報告詮釋委員會第14號不容許就未來服務的最低資金供款的自願性預付款項產生的任何盈餘，確認資產。鑒於該詮釋的意外結果，該詮釋已被修改，規定在此等情況下須確認資產。

國際財務報告準則第1號「首次採納者根據國際財務報告準則第7號可比較披露資料的有限豁免」的修訂

此項修訂為首次採納者提供與國際財務報告準則第7號於二零零九年三月的修訂所載有關豁免呈列截至二零零九年十二月三十一日止對新公允價值披露規定的比較資料相同的過渡性條款。

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 2011 (continued)*

Annual Improvements Projects

The international Accounting Standard Board (“IASB”) published its third annual improvements projects in May 2010. The annual improvements process is a timely and efficient way to make amendments to IFRS and address inconsistencies within or between standards and areas where the standards are unclear. The directors of the Company has assessed the impact of these annual improvements and concluded that they would not result in a significant impact on the results and financial position of the Group.

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) 於二零一一年生效的新訂及經修訂準則 (續)

年度改進項目

於二零一零年五月，國際會計準則委員會（「國際會計準則委員會」）公佈其第三個年度改進項目。年度改進程序是對國際財務報告準則作出修訂、處理準則內及準則之間不一致性及準則不清晰範疇的及時及有效方法。本公司董事已評估該等年度改進的影響，並認為該等年度改進不會對本集團的業績及財務狀況構成重大影響。

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)

(b) *Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations have been published and are mandatory for the accounting periods beginning on or after 1 January 2012 or later periods, and the Group has not early adopted.

IFRS 7 (Amendment)	Disclosures – Transfers of financial assets
IFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters
IAS 12 (Amendment)	Deferred tax: Recovery of underlying assets
IAS 1 (Amendment)	Presentation of financial statements
IAS 27 (Revised 2011)	Separate financial statements
IAS 28 (Revised 2011)	Associate and joint ventures
IFRS 9	Financial instruments
IFRS 10	Consolidated 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)

(b) *尚未生效及本集團尚未提早採納的準則、修訂本及詮釋*

下列準則、修訂本及詮釋已公佈，須於二零一二年一月一日或之後開始的會計期間或較後期間強制採納，但本集團並未提早採納。

國際財務報告準則第7號 (修訂本)	披露—金融資產轉移
國際財務報告準則第1號 (修訂本)	嚴重惡性通脹及就首次採納者撤銷固定期限
國際會計準則第12號 (修訂本)	遞延稅項：收回相關資產
國際會計準則第1號 (修訂本)	呈列財務報表
國際會計準則第27號 (二零一一年經修訂)	獨立財務報表
國際會計準則第28號 (二零一一年經修訂)	聯營公司及合營公司
國際財務報告準則第9號	金融工具
國際財務報告準則第10號	合併財務報表

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) *Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group (continued)*

IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurements
IAS 19 (Amendment)	Employee benefits
IFRIC – Int 20	Stripping costs in the production phase of a surface mine

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 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提早採納的準則、修訂本及詮釋 (續)*

國際財務報告 準則第11號	聯合安排
國際財務報告 準則第12號	其他實體權益的披露
國際財務報告 準則第13號	公允價值計量
國際會計準則 第19號 (修訂本)	僱員福利
國際財務 報告詮釋 委員會 – 詮釋第20號	露天採礦生產階段的 剝礦成本

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。

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

(a) Subsidiaries

Consolidation

Subsidiaries are all entities (including special purpose 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. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise from circumstances such as enhanced minority rights or contractual terms between shareholders, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

2 主要會計政策概要 (續)

2.2 合併財務報表

(a) 附屬公司

合併入賬

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投票權的股權的所有實體(包括特殊目的實體)。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投票權及其影響。當本集團並非持有一間實體超過50%的投票權，但被視為因實際控制權而可管控其財政及營運政策，其亦會評估是否存在控制權。實際控制權可在加強少數股東權益或股東間合約條款等情況下產生。

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。

公司間的交易、結餘及集團公司交易的收支已撇銷。於資產確認的集團內公司之間的交易所產生溢利及虧損亦予以對銷。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)

(a) Subsidiaries (continued)

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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)

業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價為本集團所轉讓資產、對被收購方前擁有人所產生負債及所發行股權的公允價值。轉讓代價包括或有代價安排產生的任何資產或負債的公允價值。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。本集團按逐項收購基準，以公允價值或按非控股權益所佔被收購方可識別資產淨值的已確認金額比例，確認於被收購方之任何非控股權益。

收購相關成本於產生時列為開支。

商譽初步按所轉讓代價與非控股權益公允價值總額超出所收購可識別資產淨值及所承擔負債的數額計量。倘此代價低於所收購附屬公司資產淨值的公允價值，則差額於損益賬中確認。

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)

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

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

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)

獨立財務報表

於附屬公司的投資乃以成本減減值的方法記賬。成本已作調整，以反映或有代價安排所產生的代價變動。成本亦包括投資的直接應佔成本。附屬公司的業績由公司按股息及應收款項入賬。

當收到於附屬公司的投資的股息，而股息超過附屬公司在宣派股息期間的全面收益總額，或在獨立財務報表的投資賬面值超過被投資方淨資產（包括商譽）在合併財務報表的賬面值時，則必須對有關投資進行減值測試。

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。根據合約性安排，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、負債及或有負債公允淨值超出共同控制合併成本的差額。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,且不論共同控制合併之日)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、合併實體或業務之間交易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.

(e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

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。出售非控股權益的盈虧亦記錄在權益中。

(e) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的所有實體，通常附帶有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬，初步按成本確認，並調高或調低賬面值以確認投資者於收購日期後應佔的被投資方損益。本集團於聯營公司之投資包括收購時已識別的商譽。

倘於聯營公司的擁有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認的金額僅有一定比例部分重新分類至損益賬（視情況而定）。

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)

(e) Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(e) 聯營公司 (續)

本集團應佔的收購後溢利或虧損於收益表內確認，而應佔收購後其他全面收益的變動則於其他全面收益內確認，而投資賬面值會作相應調整。當本集團分佔聯營公司虧損等於或超過其佔聯營公司之權益（包括任何其他無抵押應收款項）時，本集團不再確認進一步虧損，除非本集團須承擔法定或推定負債或代聯營公司支付款項。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並於收益表「應佔一間聯營公司溢利／（虧損）」確認有關金額。

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)

(e) Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

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)

(e) 聯營公司 (續)

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損於本集團的財務報表確認，惟僅以聯營公司中的非關連投資者權益為限。未變現虧損會對銷，除非有關交易有證據顯示所轉讓資產出現減值。聯營公司的會計政策已作必要更改，以確保與本集團所採用的政策一致。

於聯營公司的投資所產生攤薄收益及虧損於收益表確認。

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 consolidated financial statements are 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。合併財務報表以人民幣（「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.

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 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,則收入及支出按交易日的匯率換算;及
- (iii) 所產生所有匯兌差額均確認為權益的獨立部分。

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為出售收益或虧損一部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 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.

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.

2 主要會計政策概要 (續)

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。

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。

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)

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.

2.6 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 is 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)

2.5 物業、廠房及設備 (續)

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。

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

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

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

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

2 主要會計政策概要 (續)

2.7 無形資產

商譽

商譽產生自收購附屬公司、聯營公司及合營公司，並指所轉讓代價超出本集團於被收購方的淨可識別資產、負債及或有負債公允淨值中的權益及被收購方非控股權益的公允價值的差額。

就減值測試而言，因業務合併獲得的商譽會分配至預期將受惠於合併的協同效應的各個或各組現金產生單位（「現金產生單位」）。獲分配商譽的各單位或各組單位指實體內為內部管理目的而對商譽進行監督的最低層面。商譽按經營分類水平監督。

商譽會每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用值與公允價值減銷售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

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)

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of seven to eight years.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their expected lives of three to four years.

2 主要會計政策概要 (續)

2.7 無形資產 (續)

商標及特許權

分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權按於收購日期的公允價值確認。商標及特許權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法將商標及特許權的成本於其估計可使用年限七至八年攤分計算。

合約客戶關係

在業務合併中獲得的合約客戶關係按收購日期的公允價值確認。合約客戶關係具有有限定可使用年限，乃按成本減累計攤銷列賬。攤銷利用直線法將客戶關係成本於客戶關係的預計年期三至四年攤分計算。

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

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 (續)

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 and the terms of validity granted by corresponding authorities, which are 3 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及相關機關授予的三年有效期攤銷。

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.

2.10 Financial assets

Classification – 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).

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。

2.10 金融資產

分類 – 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）。

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 (continued)

Recognition and measurement

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.

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;

2 主要會計政策概要 (續)

2.10 金融資產 (續)

確認及計量

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。

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；

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)

- 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
- 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.

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

- 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
- 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（即使未能於組合內個別金融資產內識別有關減幅）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) 與組合內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。

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 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.

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 主要會計政策概要 (續)

2.11 金融資產減值 (續)

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。

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。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

2.14 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 主要會計政策概要 (續)

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(或倘時間更長,則在業務的正常營運週期)收回,會分類為流動資產,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。

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。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the company.

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. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities.

Trade payable 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)

2.15 股本

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

如任何集團公司購買本公司股本(庫存股份),所繳付代價(包括任何扣除所得稅的直接應佔遞增成本)自本公司權益持有人應佔權益扣除,直至該等股份註銷或重新發行為止。倘該等普通股之後重新發行,所收取的任何代價扣除任何直接應佔遞增交易成本及有關所得稅影響後,計入本公司權益持有人應佔權益。

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。倘貿易應付款項可於一年或以內(或倘時間更長,則在業務的正常營運週期)到期,會分類為流動負債,否則以非流動負債呈列。

貿易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.

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, its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 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。

即期所得稅支出乃按照本公司、其附屬公司及聯營公司經營及產生應課稅收入的國家內於結算日已頒佈或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。

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 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.

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。遞延所得稅乃以於結算日已頒佈或已大致頒佈、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的稅率（及稅法）釐定。

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 multiemployer 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。中國勞工法規規定本公司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，並扣除在供款完全歸屬前離開計劃的僱員被沒收的供款。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。本公司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

本集團就按業績計算並計及本公司股東應佔溢利在作出若干調整後的花紅確認負債及開支。倘具合約性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 (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

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 (如實體的股價)；
- 不包括任何服務及非市場表現歸屬條件的影響 (例如於特定期間的溢利能力、銷售增長目標及繼續為有關實體的僱員)；及
- 包括非歸屬條件的影響 (如挽留僱員的規定)。

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，而歸屬期間乃所有特定歸屬條件達成的期間。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的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及該責任的特定風險的評估。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 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) *Marketing, distribution management, consulting and printing services*

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

(e) *Rental income*

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

2.22 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.

2 主要會計政策概要 (續)

2.21 收入確認 (續)

(d) *營銷、分銷管理、諮詢及印刷服務*

營銷、分銷管理及印刷服務收入於服務交付予客戶時獲確認。

(e) *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。

2.22 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。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 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.

2.24 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.

2 主要會計政策概要 (續)

2.23 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。

2.24 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。

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

(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.

As at 31 December 2011, 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 31 December 2011 would have been approximately RMB7,000 (2010: RMB1,081,000) 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 31 December 2011 would have been approximately RMB36,000 (2010: RMB8,906,000) higher/lower, mainly as a result of foreign exchange differences and translation of the HK dollar denominated cash deposit.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(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。

於二零一一年十二月三十一日，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%，截至二零一一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7,000元（二零一零年：人民幣1,081,000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%，截至二零一一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36,000元（二零一零年：人民幣8,906,000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。

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)

(ii) Price risk

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

(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:

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(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。

(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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Variable rate:	浮動利率：		
Short-term bank loans, secured	短期銀行貸款，有抵押	47,000	50,000
Other loan	其他貸款	2,528	4,607
		49,528	54,607

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 31 December 2011, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's pre-tax profit for the year ended 31 December 2011, would have been RMB495,000 lower/higher (2010: RMB546,000 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。

於二零一一年十二月三十一日，倘利率上升／下降100個基點，而所有其他變數維持不變，本集團截至二零一一年十二月三十一日止年度的稅前溢利將減少／增加人民幣495,000元（二零一零年：減少／增加人民幣546,000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, prepayments, deposits and other receivables, amounts due from related parties, cash and cash equivalents.

The Group's credit risk is primarily attributable to its trade receivables. The Group generally grants to its advertising customers a credit period ranging from one month to one year after delivery of the relevant advertising services. The length of the credit period the Group grants to its customers varies by industry and is driven by credit periods granted by its competitors. The Group grants customers from industries such as real estate, automotive and telecommunications as well as those with national brand names and its long-term customers with large orders longer credit periods. For short-term customers with small orders, out-of-province customers that do not have well-known brand names, classified advertising customers and secondary advertising agents (excluding 4A companies), the Group usually requests that the contractual amount be paid in full prior to delivery of service.

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。信貸風險主要因貿易應收款項、預付款項、按金及其他應收款項、應收關連人士款項以及現金及現金等值項目而產生。

本集團的信貸風險主要來自貿易應收款項。本集團一般給予其廣告客戶介乎提供相關廣告服務後一個月至一年的信貸期。本集團給予客戶的信貸期長短因行業而異，視乎其競爭對手給予的信貸期而定。本集團給予房地產、汽車及電訊等行業的客戶、國家品牌客戶及大額訂單的長期客戶較長信貸期。至於小額訂單的短期客戶、並無知名品牌的省外客戶、分類廣告客戶及二級廣告代理（不包括4A公司），本集團一般要求於提供服務前全數支付合約金額。

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)

The Group has a credit policy with established procedures in place, which it reviews from time to time. The Group's credit management team assigns internal credit ratings to customers after evaluation of their creditworthiness through assessment of their particulars including business licenses, certifications and credit rating reports and considering factors such as operating status, business condition, profitability, indebtedness and assets. These internal credit ratings are used to determine the credit-related clauses in the sales contracts signed with customers. The Group also prepares regular credit reports to update its understanding of the customer's operating conditions and business information for better risk management in relation to bad debts. In the event the credit rating of a particular customer drops after the Group's review, it may adopt measures such as settlement of its fee through barter transactions, requesting the customer to provide or procure a guarantor to provide security or reducing the customer's advertisement publication volume.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團訂有信貸政策和既定程序，並不時作出檢討。本集團的信貸管理團隊透過評核客戶的資料（包括營業執照、認證資格及信貸評級報告）及考慮經營狀況、營商條件、盈利能力、債務及資產等因素，評估客戶的信譽，之後會給予客戶內部信貸評級。有關內部信貸評級用以釐定與客戶簽訂的銷售合約中的信貸相關條款。本集團亦編製定期信貸報告，以了解客戶經營狀況及業務資料的最新情況，藉此達致較佳的壞賬風險管理。倘經本集團檢討後，某一客戶的信貸評級下降，本集團可能採取透過易貨交易結算費用、要求客戶提供或安排擔保人提供擔保或調低客戶廣告刊登量等各種措施。

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)

The Group makes allowance for doubtful accounts based on assessments of the recoverability of the trade receivable, including the current creditworthiness and the past collection history of each debtor. During the year ended 31 December 2011, the Group has assessed the recoverability of its trade receivables and made impairment provision for certain trade receivables where the recoverability has become less than probable. Details of allowance for doubtful trade receivables are set out in note 11. Determining the allowance involves significant management judgments and estimates about and, by definition, would seldom equal to actual results. Any difference between management's estimates of the recoverability of trade receivables and the amounts that the Group eventually recovers will impact the Group's profit or loss.

The Group's bank deposits are placed with a number of major banks in the PRC. Counterparties' credit risks are carefully reviewed and in general, the Group only deals with financial institutions with low credit risk. The amount of counterparties' lending exposure to the Group is also an important consideration as a means to control credit risk.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團根據對貿易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紀錄)的評估作出呆賬撥備。於截至二零一一年十二月三十一日止年度,本集團已評估貿易應收款項的可收回性,並於不大可能收回時就若干貿易應收款項作出減值撥備。貿易應收款項呆賬撥備詳情載於附註11。釐定撥備涉及管理層的重大判斷及估計,顧名思義,甚少等同實際結果。管理層對貿易應收款項可收回性的估計與本集團最終收回的數額如有任何差異,會影響本集團的損益。

本集團的銀行存款存放於若干中國主要銀行。本集團審慎檢討對方的信貸風險,且本集團一般只與信貸風險低的金融機構交易。本集團承受的對方貸款風險金額亦為控制信貸風險方法的重要考慮因素。

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)

In relation to the deposits for marketing and promotion projects and to newspaper publishers, and the refundable prepayment for long-term investments, the credit quality of the counterparties is assessed by taking into account their financial position, relationship with the Group, credit history and other factors. Management will also regularly review the recoverability of these deposits and follow up the disputes or amounts overdue, if any. The directors do not expect any losses from non-performance by these counterparties. As at 31 December 2011, the Group's exposure to these deposits and prepayments included RMB465 million (2010: RMB190 million) paid to the six (2010: three) largest counterparties. For details of these amounts, please refer to note 12.

(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)

就營銷及宣傳項目及給予報紙出版商的按金以及可退還的長期投資預付款項而言，對方的信貸質素按其財務狀況、與本集團的關係、信貸紀錄及其他因素評定。管理層亦將定期檢討該等按金的可收回性，並跟進糾紛或欠款金額（如有）。董事並不預期會因該等對方不履約而產生任何虧損。於二零一一年十二月三十一日，本集團有關該等按金及預付款項的風險包括向六名（二零一零年：三名）最大對方支付的人民幣465,000,000元（二零一零年：人民幣190,000,000元）。有關該等款項的詳情，請參閱附註12。

(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額，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相關到期日組別的分析。表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 一年以內 RMB'000 人民幣千元
<hr/>	
At 31 December 2011	於二零一一年十二月三十一日
Trade and other payables	貿易及其他應付款項 44,098
Borrowings	借款 50,371
Amounts due to directors	應付董事款項 758
Amounts due to related parties	應付關連人士款項 69,124
	<hr/> 164,351 <hr/>
 At 31 December 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 77,231
Borrowings	借款 57,549
Amounts due to directors	應付董事款項 1,973
Amounts due to related parties	應付關連人士款項 3,170
	<hr/> 139,923 <hr/>
 <hr/>	
Company 本公司	Less than 1 year 一年以內 RMB'000 人民幣千元
<hr/>	
At 31 December 2011	於二零一一年十二月三十一日
Other payables	其他應付款項 26,672
Amounts due to subsidiaries	應付附屬公司款項 83,220
	<hr/> 109,892 <hr/>
 At 31 December 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/>

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 related parties, trade and other payables, borrowings and amounts due to 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 maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

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、應收關連人士款項、貿易及其他應付款項、借款及應付關連人士款項) 的賬面金額與其公允價值相若。

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。

為維持或調整資本架構，本集團或會調整派付予股東的股息額、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 sheet. During the year, the Group's strategy was to maintain a gearing ratio below 40%. The gearing ratios as at 31 December 2011 and 2010 were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Borrowings	借款	49,528	54,607
Amounts due to related parties	應付關連人士款項	157	157
Total borrowings	借款總額	49,685	54,764
Total assets	總資產	1,414,639	1,285,003
Gearing ratio	資產負債率	4%	4%

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。於二零一一年及二零一零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 provided to certain of the 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（包括相信日後在若干情況下屬合理的若干事件的期望）衡量估計及假設。

本集團對未來作出估計及假設。顧名思義，會計估計甚少等同相關實際結果。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金額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)

(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. Detail of allowance for doubtful accounts is described in Note 11.

(c) Recoverability of prepayments and deposits

The Group has made prepayments and deposits in respect of exclusive agreements with newspaper publishers and exclusive marketing and promotion projects. Further, the Group has made prepayments for the potential establishment of jointly controlled entities with certain newspaper publishers. Management regularly reviews the recoverability of these prepayments and deposits to identify impairment losses. Impairment loss arises where events or changes in circumstances indicate that the expected future economic benefits to be generated from these arrangements are lower than the carrying amounts of these prepayments and deposits. Detail of management's assessment of recoverability of these prepayments and deposits are set out in Note 12.

4 關鍵會計估計及假設 (續)

(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紀錄)的評估作出呆賬撥備。倘發生任何事件或情況變動顯示餘款可能無法收回,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,則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11。

(c) 預付款項及按金的可收回性

本集團就與報紙出版商的獨家協議以及獨家營銷及宣傳項目支付預付款項及按金。此外,本集團亦就與若干報紙出版商成立共同控制實體的機會支付預付款項。管理層定期檢討該等預付款項及按金的可收回性,以識別減值虧損。倘發生任何事件或情況變動顯示該等安排預期產生的未來經濟利益少於該等預付款項及按金的賬面金額,則會產生減值虧損。管理層對該等預付款項及按金可收回性的評估詳情載於附註12。

Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(d) 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.

(e) 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.

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

4 關鍵會計估計及假設 (續)

(d) 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。

(e) 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。

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經營業績產生重大影響。

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

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(f) 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 judgment and is satisfied that the method of valuation is reflective of the current market condition.

(g) Contingent liability from an on-going litigation

The Group follows the guidance of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” to determine when should contingent liabilities be recognised, which requires significant judgment.

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group’s control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities not currently recognised or disclosed could have a material impact on the Group’s financial position.

4 關鍵會計估計及假設 (續)

(f) 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。

(g) 來自未了結訴訟的或有負債

本集團遵從國際會計準則第37號「撥備、或有負債及或有資產」的指引，以釐定於何時確認或有負債（須作出重大判斷）。

當可能產生責任，惟其存在與否須透過非本集團能控制的未來事件而確定，或不可能計算其金額，則會披露為或有負債。目前未確認或披露的任何或有負債實現可對本集團的財務狀況構成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(g) Contingent liability from an on-going litigation (continued)

The Group reviews significant outstanding litigations in order to assess the need for provisions. Among the factors considered, are the nature of the litigation, legal processes and potential level of damages, the opinions and views of the legal counsel, and the management's intentions to respond to the litigations. To the extent the estimates and judgments do not reflect the actual outcome, this could materially affect the results for the period and the financial position. As at 31 December 2011, the Group has an on-going litigation against Shenyang Evening News Media Corporation Limited ("Shenyang Media Corporation") and Shenyang Daily Agency. The details of the litigation and the Group's assessment of its effect to the consolidated financial statements is disclosed in Note 37.

(h) Depreciation and amortisation

The costs of property, plant and equipment and intangible assets are charged ratably as depreciation and amortisation expenses, respectively, over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions and asset retirement activity to review the estimated remaining useful lives and depreciation and amortisation rates. Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in estimated useful lives and therefore depreciation and amortisation expenses in future periods.

4 關鍵會計估計及假設 (續)

(g) 來自未了結訴訟的或有負債 (續)

本集團檢討重大未了結訴訟，以評估撥備的需要。所考慮的因素包括訴訟的性質、法律程序及損害賠償的潛在程度、法律顧問的建議及意見以及管理層回應訴訟的意向。倘估計及判斷未能反映實際結果，則可對期內業績及財務狀況構成重大影響。於二零一一年十二月三十一日，本集團對瀋陽晚報傳媒有限公司（「瀋陽傳媒公司」）及瀋陽日報社提起一項未了結訴訟。該訴訟及本集團就其對合併財務報表的影響的評估詳情於附註37披露。

(h) 折舊及攤銷

物業、廠房及設備以及無形資產成本使用直線法於相關資產的估計可使用年期分別作為折舊及攤銷開支按比例扣除。本集團定期審視技術及行業狀況變化以及資產替換活動，以檢討估計剩餘可使用年期以及折舊及攤銷比率。實際經濟年期可能有別於估計可使用年期。定期檢討可能導致估計可使用年期改變，繼而改變未來期間的折舊及攤銷開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

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 marketing, distribution management, consulting and printing services, and 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 RMB74,249,000 for the year ended 31 December 2011 (2010: RMB70,569,000).

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），以及提供營銷、分銷管理、諮詢及印刷服務、電視及電台廣告、戶外廣告服務及活動。截至二零一一年十二月三十一日止年度，本集團五大客戶佔本集團總銷售的總金額為人民幣74,249,000元（二零一零年：人民幣70,569,000元）。

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Newspaper advertising	報紙廣告	387,105	408,654
Online services	網絡服務	53,431	65,310
Marketing, distribution management, consulting and printing services	營銷、分銷管理、諮詢及印刷 服務	88,053	41,538
Television and radio advertising	電視及電台廣告	445	14,438
		529,034	529,940

6 SEGMENT INFORMATION

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

The Board 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.

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的表現。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 – 7 物業、廠房及設備 – 本集團 GROUP

		Buildings	Leasehold improve- ments	Machinery	Fixture, furniture and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	機器	裝置、傢俬及 設備	汽車	總計
		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
At 1 January 2010	於二零一零年一月一日						
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 31 December 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 25)	折舊(附註25)	(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 31 December 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>
Year ended 31 December 2011	截至二零一一年十二月三十一日止 年度						
Opening net carrying amount	年初賬面淨額	1,673	9,398	27,634	3,748	8,862	51,315
Additions	添置	–	693	6,392	3,179	8,542	18,806
Disposals	出售	–	–	–	–	(116)	(116)
Depreciation (Note 25)	折舊(附註25)	(43)	(1,061)	(4,502)	(1,460)	(1,580)	(8,646)
Closing net carrying amount	年末賬面淨額	<u>1,630</u>	<u>9,030</u>	<u>29,524</u>	<u>5,467</u>	<u>15,708</u>	<u>61,359</u>
At 31 December 2011	於二零一一年十二月三十一日						
Cost	成本	1,801	11,544	49,099	11,079	19,447	92,970
Accumulated depreciation	累計折舊	(171)	(2,514)	(19,575)	(5,612)	(3,739)	(31,611)
Net carrying amount	賬面淨額	<u>1,630</u>	<u>9,030</u>	<u>29,524</u>	<u>5,467</u>	<u>15,708</u>	<u>61,359</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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cost of sales	銷售成本	4,616	3,817
General and administrative expenses	一般及行政開支	4,030	2,264
Total	總計	8,646	6,081

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Buildings in the PRC	於中國的樓宇	1,630	1,673

As at 31 December 2010, machinery with net book values of approximately RMB8,515,000 was pledged as collateral for the Group's borrowings (Notes 16 and 17). No machinery was pledged as collateral for the Group's borrowings as at 31 December 2011.

Depreciation on buildings of RMB43,000 (2010: RMB42,000) for the year ended 31 December 2011 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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cost of sales	銷售成本	4,616	3,817
General and administrative expenses	一般及行政開支	4,030	2,264
Total	總計	8,646	6,081

本集團樓宇按其賬面金額分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Buildings in the PRC	於中國的樓宇	1,630	1,673

於二零一零年十二月三十一日，賬面淨值約人民幣8,515,000元的機器已抵押作為本集團借款的抵押品（附註16及17）。於二零一一年十二月三十一日，概無機器已抵押作為本集團借款的抵押品。

截至二零一一年十二月三十一日止年度，樓宇折舊人民幣43,000元（二零一零年：人民幣42,000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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At fair value	按公允價值		
At beginning of the year	於年初	1,817	–
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
Net gain from fair value adjustment	公允價值調整收益淨額	158	–
At end of the year	於年末	<u>1,975</u>	<u>1,817</u>

As at 31 December 2011, investment properties of carrying value of RMB1,975,000 (2010: RMB1,817,000) were pledged as collateral for the Group's borrowings (Notes 16 and 17). The Group's interests in investment properties at their carrying amounts are analysed as follows:

於二零一一年十二月三十一日，賬面值人民幣1,975,000元（二零一零年：人民幣1,817,000元）的投資物業已抵押作為本集團借款的抵押品（附註16及17）。本集團於投資物業的權益按賬面金額分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 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	<u>1,975</u>	<u>1,817</u>

The Group obtains independent valuations from American Appraisal China Limited for its investment properties at least annually. At the end of each reporting period, the directors update their assessment of the fair value of the property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

本集團至少每年獲得美國評值有限公司就其投資物業的獨立估值。於各報告期末，董事考慮最近期的獨立估值，以更新其對物業公允價值的評估。董事於合理的公允價值範圍內釐定物業價值。

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	Non- compete agreement 不競爭協議 RMB'000 人民幣千元	Goodwill 商譽 RMB'000 人民幣千元	Customer relationships 客戶關係 RMB'000 人民幣千元	Trademark 商標 RMB'000 人民幣千元	Web site 網站 RMB'000 人民幣千元	Other intangible assets 其他無形資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2010	於二零一零年一月一日								
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,795</u>	<u>-</u>	<u>3,769</u>
Year ended 31 December 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 25)	攤銷(附註25)	(290)	-	-	-	-	(311)	-	(601)
Closing net carrying amount	年末賬面淨額	<u>1,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,484</u>	<u>-</u>	<u>4,198</u>
At 31 December 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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,484</u>	<u>-</u>	<u>4,198</u>
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨額	1,714	-	-	-	-	2,484	-	4,198
Additions	添置	103	-	-	1,600	-	5,872	1,000	8,575
Acquisition of business (Note 36)	收購業務(附註36)	770	11,500	12,573	14,500	9,400	400	-	49,143
Amortisation (Note 25)	攤銷(附註25)	(588)	(2,556)	-	(4,580)	(814)	(863)	(208)	(9,609)
Closing net carrying amount	年末賬面淨額	<u>1,999</u>	<u>8,944</u>	<u>12,573</u>	<u>11,520</u>	<u>8,586</u>	<u>7,893</u>	<u>792</u>	<u>52,307</u>
At 31 December 2011	於二零一一年十二月三十一日								
Cost	成本	3,460	11,500	12,573	16,100	9,400	9,378	1,000	63,411
Accumulated amortisation	累計攤銷	(1,461)	(2,556)	-	(4,580)	(814)	(1,485)	(208)	(11,104)
Net carrying amount	賬面淨額	<u>1,999</u>	<u>8,944</u>	<u>12,573</u>	<u>11,520</u>	<u>8,586</u>	<u>7,893</u>	<u>792</u>	<u>52,307</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

9 INTANGIBLE ASSETS – GROUP (continued)

Addition to goodwill during the year ended 31 December 2011 was related to the acquisition of business from Fuzhou H-Brand Estate Marketing and Planning Company Limited (“Fuzhou H-Brand”) on 10 July 2011. For the purpose of impairment testing, goodwill has been allocated to a cash generating unit, Fujian Fangke Network Technology Corporation Limited (“Fujian Fangke”), a subsidiary of the Group.

As at 31 December 2011, management of the Group determined that the goodwill had not impaired. The basis of the recoverable amount of Fujian Fangke and the major underlying assumptions are summarised below:

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the Directors covering a 4-year period, and at a pre-tax discount rate of 18.1%. The cash flows beyond the 4-year period are extrapolated using a constant growth rate of 3%. This growth rate is based on the relevant industry growth forecasts in the PRC.

10 INTEREST IN AN ASSOCIATE

9 無形資產－本集團（續）

於截至二零一一年十二月三十一日止年度添置的商譽與於二零一一年七月十日收購福州好邦房產營銷策劃有限公司（「福州好邦」）業務有關。就減值虧損而言，商譽分配至本集團附屬公司福建房客網絡科技股份有限公司（「福建房客」）現金產生單位。

於二零一一年十二月三十一日，本集團管理層釐定商譽並無減值。下文概述福建房客可收回金額的基準及主要相關假設：

可收回金額乃根據使用價值計算方法釐定。此計算方法採用經董事批准的四年期財政預算現金流量預測，以及18.1%的稅前貼現率。四年期以後的現金流量則採用3%的固定增長率預測。此增長率乃以中國相關行業增長預測為基礎。

10 於聯營公司的權益

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cost of investment in an associate, unlisted	於非上市聯營公司的投資成本	40,700	—
Share of loss of an associate	應佔聯營公司虧損	(307)	—
Share of net assets at 31 December	於十二月三十一日應佔資產淨值	<u>40,393</u>	<u>—</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

10 INTEREST IN AN ASSOCIATE (continued)

The Group's investment in an associate represents its 33.5% equity interest in Yunnan Handing Investment Co. Limited ("Yunnan Handing"). Yunnan Handing is a limited liability company established in the PRC that is principally engaged in the project investment and management. As at 31 December 2011, its paid up capital was RMB100,000,000.

The summarised financial information in respect of the Group's associate is set at below:

10 於聯營公司的權益 (續)

本集團於聯營公司的投資指其於雲南漢鼎投資有限公司(「雲南漢鼎」)的33.5%股本權益。雲南漢鼎為於中國成立的有限責任公司，主要從事項目投資及管理業務。於二零一一年十二月三十一日，其繳足資本為人民幣100,000,000元。

本集團聯營公司的財務資料概要載列如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Assets	資產		
Non-current assets	非流動資產	961	-
Current assets	流動資產	<u>318,295</u>	-
		<u>319,256</u>	<u>-</u>
Liabilities	負債		
Current liabilities	流動負債	<u>(220,172)</u>	-
		<u>(220,172)</u>	<u>-</u>
Net assets	資產淨值	<u>99,084</u>	<u>-</u>
Income	收益	496	-
Expense	開支	<u>(1,412)</u>	-
Loss for the year	年內虧損	<u>(916)</u>	<u>-</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

11 TRADE RECEIVABLES – NET – GROUP

11 貿易應收款項－淨額－本集團

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	334,752	261,799
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	<u>(75,083)</u>	<u>(7,170)</u>
Trade receivables – net	貿易應收款項－淨額	<u>259,669</u>	<u>254,629</u>

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:

客戶主要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發票日期的賬齡分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
1 – 30 days	1至30日	27,940	33,373
31 – 60 days	31至60日	16,322	26,661
61 – 90 days	61至90日	13,305	20,510
91 – 365 days	91至365日	142,202	142,671
Over 1 year	一年以上	<u>134,983</u>	<u>38,584</u>
		334,752	261,799
Less: provision for impairment on trade receivables	減：貿易應收款項減值撥備	<u>(75,083)</u>	<u>(7,170)</u>
Trade receivables – net	貿易應收款項－淨額	<u>259,669</u>	<u>254,629</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

11 TRADE RECEIVABLES – NET – GROUP (continued)

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

As at 31 December 2011, trade receivables of RMB79,283,000 (2010: RMB50,974,000) 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:

11 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。

於二零一一年十二月三十一日，貿易應收款項人民幣79,283,000元（二零一零年：人民幣50,974,000元）已逾期但並未減值。該等款項乃有關近期並無違約紀錄的多名獨立客戶，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：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Past due 1 – 30 days	逾期1至30日	15,681	14,448
Past due 31 – 60 days	逾期31至60日	14,923	8,964
Past due 61 – 90 days	逾期61至90日	14,992	5,212
Past due over 91 days	逾期91日以上	33,687	22,350
		79,283	50,974

Notes to the Consolidated Financial Statements

合併財務報表附註

11 TRADE RECEIVABLES – NET – GROUP (continued)

As at 31 December 2011, trade receivables of RMB75,083,000 (2010: RMB7,170,000) were impaired and provided for. For the year ended 31 December 2011, the amounts of the provision charged to the consolidated statement of comprehensive income were RMB68,101,000 (2010: RMB5,438,000). The aging of these receivables is as follows:

91 – 365 days	91至365日
Over 1 year	一年以上

The RMB 75,083,000 impairment provision made as at 31 December 2011 included RMB44,722,000 impairment provision made for receivables where management has determined that the ability of the debtors to repay the trade receivables have deteriorated. This provision amount was determined in line with the Group's policies and historical practice, where management has reviewed the relevant debtors' current creditworthiness and past payment history. Furthermore, management has performed a specific review on certain debtors for which the Group's relationship with these customers is expected to be ceased upon the termination of Group's cooperation arrangement with Shenyang Evening News. Management has considered the past payment history and the strength of the Group's relationship with each debtor in this specific review. As a result of this review, management has determined that an impairment provision of RMB30,361,000 is necessary as of 31 December 2011 to provide for those debtors whose recoverability has become less than probable.

11 貿易應收款項－淨額－本集團 (續)

於二零一一年十二月三十一日，貿易應收款項人民幣75,083,000元（二零一零年：人民幣7,170,000元）已減值並計提撥備。截至二零一一年十二月三十一日止年度，於合併全面收益表扣除的撥備金額為人民幣68,101,000元（二零一零年：人民幣5,438,000元）。該等應收款項的賬齡分析如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		12,139	842
		62,944	6,328
		75,083	7,170

於二零一一年十二月三十一日作出的人民幣75,083,000元減值撥備中，包括就多筆應收款項作出的人民幣44,722,000元減值撥備，管理層認為該等貿易應收款項的債務人的還款能力已下降。釐定該撥備金額的基準與本集團政策和過往慣例相符，而管理層已檢討相關債務人現時的信用狀況和還款紀錄。再者，管理層已特別對於本集團終止與瀋陽晚報的合作安排後，預期終止與本集團的客戶關係的若干債務人進行檢討。管理層於特別檢討的過程中已考慮各債務人的還款紀錄和與本集團的關係。因應檢討結果，管理層決定於二零一一年十二月三十一日須就不大可能收回的應收款項作出人民幣30,361,000元的減值撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

11 TRADE RECEIVABLES – NET – GROUP (continued)

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At beginning of the year	於年初	7,170	1,732
Provision for impairment on trade receivables	貿易應收款項減值撥備	68,101	5,438
Receivables written off during the year as uncollectible	於年內作為不可收回而撇銷的應收款項	(188)	-
At end of the year	於年末	75,083	7,170

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 25). 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 31 December 2011 and 2010 were the carrying value of trade receivables mentioned above. The Group does not hold any collateral as security.

11 貿易應收款項－淨額－本集團 (續)

本集團貿易應收款項減值撥備的變動情況如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At beginning of the year	於年初	7,170	1,732
Provision for impairment on trade receivables	貿易應收款項減值撥備	68,101	5,438
Receivables written off during the year as uncollectible	於年內作為不可收回而撇銷的應收款項	(188)	-
At end of the year	於年末	75,083	7,170

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25)。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。

於二零一一年及二零一零年十二月三十一日，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。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

12 預付款項、按金及其他應收款項

Group 本集團		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<u>Non current portion</u>	<u>非流動部分</u>		
Prepayment for long term investments	長期投資的預付款項	173,000	98,000
Deposits to newspaper publishers	給予報紙出版商的按金	92,000	92,000
Deposits for marketing and promotion projects	就營銷及宣傳項目作出的按金	182,500	—
Prepayments, deposits and other receivables – non current	預付款項、按金及其他應收款項—非流動	447,500	190,000
<u>Current portion</u>	<u>流動部分</u>		
Deposit for a marketing and promotion project	就營銷及宣傳項目作出的按金	17,500	—
Prepayments	預付款項	156,210	91,840
Deposits and other receivables	按金及其他應收款項	77,159	53,153
Deposit and prepayment to Shenyang Evening News	給予瀋陽晚報的按金及預付款項	43,780	42,780
Prepayments, deposits and other receivables – current	預付款項、按金及其他應收款項—流動	294,649	187,773

Notes to the Consolidated Financial Statements

合併財務報表附註

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

12 預付款項、按金及其他應收款項 (續)

Company 本公司		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Prepayment	預付款項	117	-
Other receivable	其他應收款項	26,672	26,672
Prepayment and other receivable	預付款項及其他應收款項	26,789	26,672

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

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。

Prepayment for long term investments

As at 31 December 2011, prepayment for long term investments represents cash paid by the Group to two (2010: one) metropolitan newspaper publishers in the PRC in relation to the potential establishment of jointly controlled entities with these metropolitan newspaper publishers. Mutual agreements were reached between the Group and the metropolitan newspaper publishers such that the prepayments will become refundable upon the earlier of the termination of the plan to establish the jointly controlled entities and 31 December 2012 which is the target date to complete the potential investments.

長期投資的預付款項

於二零一一年十二月三十一日，長期投資的預付款項指本集團就可能與中國兩名（二零一零年：一名）都市報出版商成立共同控制實體而向該等出版商支付的現金。本集團與都市報出版商達成相互協定，以使預付款項將可於終止成立共同控制實體計劃及二零一二年十二月三十一日（即完成潛在投資的目標日期）（以較早者為準）退回。

Deposits to newspaper publishers

As at 31 Decemeber 2011, deposits to newspaper publishers represent cash paid by the Group to three (2010: three) 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 of 7 to 30 years and it has to place 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.

給予報紙出版商的按金

於二零一一年十二月三十一日，給予報紙出版商的按金指本集團根據其與報紙出版商訂立的獨家協議向中國三名（二零一零年：三名）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版面的獨家權利，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，則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

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Deposits for marketing and promotion projects

As at 31 December 2011, deposits for marketing and promotion projects represent cash paid by the Group to three (2010: none) commercial customers in the PRC in relation to exclusive marketing and promotion services agreements between the Group and the customers. Pursuant to these agreements, the Group has obtained rights as the sole marketing and promotion services provider for certain real estate development projects owned by these customers for terms that ranged within 3 years or throughout the selling period of the real estate development projects. In return, the Group has to place specific amount of upfront deposits to the customers for the exclusive rights. These deposits will, amongst other terms and conditions, be repayable to the Group in equal instalments throughout the term of the respective contracts or upon the expiry of the agreements. The Group assesses the recoverable amount of the deposits at 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.

Prepayments

Under the terms of certain (exclusive and non-exclusive) advertising agreements with metropolitan newspaper and radio operators, the Group has to make prepayments for print media advertising to the newspaper publishers. The amounts prepaid to newspaper publishers can be used to offset the fee amounts payable where the amount of prepayment available.

12 預付款項、按金及其他應收款項 (續)

營銷及宣傳項目的按金

於二零一一年十二月三十一日，營銷及宣傳項目的按金指本集團就其與三名（二零一零年：無）中國商業客戶訂立的獨家營銷及宣傳服務協議支付予該等客戶的現金。根據該等協議，本集團已取得出任該等客戶所擁有的若干房地產發展項目的獨家營銷及宣傳服務供應商的權利，期限為三年或房地產發展項目的整段銷售期。就此，本集團已為獨家權利向該等客戶支付特定金額的前期按金。其他條款及條件包括該等按金可於有關合約期內平均地分期或於該等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，則該等款項的賬面值會即時撇減至其可收回金額。

預付款項

根據若干與都市報及電台營運商訂立的（獨家及非獨家）廣告協議的條款，本集團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於抵銷應付的費用（倘有可供動用的預付款項金額）。

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

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Deposits and other receivables

Deposits and other receivables primarily include cash paid to contracted business partners as deposits for operation rights. The deposits are interest free and are refundable upon the expiry of the agreements or on request under mutual consent.

Deposit and prepayment to Shenyang Evening News

As at 31 December 2011, deposit made to Shenyang Evening News pursuant to the exclusive advertising agreement between the Group and Shenyang Evening News was RMB10,000,000. The Group had also made prepayment of RMB33,780,000 to Shenyang Evening News under the terms of the exclusive advertising agreement. The exclusive advertising agreement between the Group and Shenyang Evening News was terminated on 26 July, 2011. The Directors have reviewed the recoverability of such prepayment and deposit, including consideration of the probable outcome of the litigation between the Group and Shenyang Evening News and its ability to enforce court decision to collect the amount, and has determined these amounts are recoverable as at 31 December 2011. Details of the litigation with Shenyang Evening News are disclosed in Note 37.

12 預付款項、按金及其他應收款項 (續)

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業務夥伴作為經營權按金的現金。按金屬於免息及可於協議屆滿時或在雙方同意下按要求退回。

給予瀋陽晚報的按金及預付款項

於二零一一年十二月三十一日，根據本集團與瀋陽晚報訂立的獨家廣告協議給予瀋陽晚報的按金為人民幣10,000,000元。本集團另根據獨家廣告協議條款向瀋陽晚報作出預付款項人民幣33,780,000元。本集團與瀋陽晚報訂立的獨家廣告協議已於二零一一年七月二十六日終止。董事已檢討該等預付款項及按金的可收回性，包括考慮本集團與瀋陽晚報之間的訴訟可能結果及其執行法院命令以收回金額的能力，並釐定該等金額於二零一一年十二月三十一日可收回。與瀋陽晚報之間的訴訟詳情於附註37披露。

Notes to the Consolidated Financial Statements

合併財務報表附註

13 ASSETS HELD FOR SALE – GROUP

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

Properties held for sale 持作出售物業

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/loss" in the consolidated statement of comprehensive income.

14 INVENTORIES – GROUP

Newsprint and printing consumables

新聞紙及印刷消耗品

13 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：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
29,336	29,848

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／虧損記錄在合併全面收益表「其他收入／虧損」內。

14 存貨 – 本集團

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
8,245	5,287

Notes to the Consolidated Financial Statements

合併財務報表附註

15 CASH AND CASH EQUIVALENTS

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

Group		2011	2010
本集團		二零一一年	二零一零年
		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	212,236	46,627
Denominated in HKD	以港元計值	1,787	445,315
Denominated in USD	以美元計值	354	54,059
		214,377	546,001
Maximum exposure to credit risk	最高信貸風險	209,323	544,250

Company		2011	2010
本公司		二零一一年	二零一零年
		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	1,675	189,801
		1,675	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.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

15 現金及現金等值項目

本集團的現金及現金等值項目乃以下列貨幣計值：

Group		2011	2010
本集團		二零一一年	二零一零年
		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	212,236	46,627
Denominated in HKD	以港元計值	1,787	445,315
Denominated in USD	以美元計值	354	54,059
		214,377	546,001
Maximum exposure to credit risk	最高信貸風險	209,323	544,250

Company		2011	2010
本公司		二零一一年	二零一零年
		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	1,675	189,801
		1,675	189,801

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。

將以人民幣計值的結餘兌換為外幣以及將有關以外幣計值的銀行結餘及現金匯出中國須遵守中國政府頒佈的相關外匯管制規則及規定。

Notes to the Consolidated Financial Statements

合併財務報表附註

16 PLEDGE OF ASSETS

The Group had the following pledge of assets as collateral to secure the Group's bank borrowings (Note 17):

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At net book value:	按賬面淨值：		
Machinery (Note 7)	機器（附註7）	—	8,515
		—	8,515
At fair value:	按公允價值：		
Investment properties (Note 8)	投資物業（附註8）	1,975	1,817
		1,975	10,332

16 資產抵押

本集團抵押以下資產作為抵押品，以獲取本集團的銀行借款（附註17）：

17 BORROWINGS – GROUP

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current liability:	非流動負債：		
Other loan	其他貸款	1,006	2,789
Current liabilities:	流動負債：		
Short-term bank loans, secured	短期銀行貸款，已抵押	47,000	50,000
Other loans	其他貸款	1,522	1,818
		48,522	51,818
		49,528	54,607

17 借款—本集團

Notes to the Consolidated Financial Statements

合併財務報表附註

17 BORROWINGS – GROUP (continued)

Borrowings of RMB47,000,000 as at 31 December 2011 (2010: RMB50,000,000) were secured by the Group's investment properties (Note 16). These loans are used to finance daily operations.

The weighted average effective interest rate at 31 December 2011 was 6.0% per annum (2010: 5.6% per annum).

The carrying amounts of the Group's borrowings are denominated in RMB and approximate their fair values.

- (a) The maturity of the total borrowings at respective balance sheet dates is as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 1 year	一年以下	48,522	51,818
Between 1 to 2 years	一年至兩年	1,006	1,783
After 2 and within 5 years	兩年至五年	-	1,006
		49,528	54,607

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates (or maturity date whichever)

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Within 6 months	六個月以內	47,804	50,896
Between 7 and 12 months	七至十二個月	718	922
Between 13 months and 5 years	十三個月至五年	1,006	2,789
		49,528	54,607

17 借款—本集團 (續)

於二零一一年十二月三十一日，以本集團投資物業(附註16)作抵押的借款為人民幣47,000,000元(二零一零年：人民幣50,000,000元)。該等貸款用於為日常經營提供資金。

於二零一一年十二月三十一日的加權平均實際年利率為6.0%(二零一零年：5.6%)。

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：

本集團借款承受的利率變動風險及合約重新定價日期(或到期日)

Notes to the Consolidated Financial Statements

合併財務報表附註

18 TRADE PAYABLE, OTHER PAYABLES AND ACCRUED EXPENSES

18 貿易應付款項、其他應付款項及應計開支

Group		2011	2010
本集團		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	<u>4,147</u>	<u>4,164</u>
Other payables and accrued expenses:	其他應付款項及應計開支：		
Accrued utility expenses and other liabilities	應計公共設施開支及 其他負債	<u>660</u>	<u>848</u>
Accrued salaries and welfare	應計薪金及福利	<u>7,434</u>	<u>3,175</u>
Value added tax and other taxes payable	增值稅及其他應付稅項	<u>28,066</u>	<u>29,323</u>
Other payables	其他應付款項	<u>35,147</u>	<u>67,920</u>
Deposits from customers	來自客戶的按金	<u>4,144</u>	<u>4,299</u>
Receipts in advance	預先收取的款項	<u>11,217</u>	<u>9,260</u>
		<u>86,668</u>	<u>114,825</u>
		<u>90,815</u>	<u>118,989</u>
Company		2011	2010
本公司		二零一一年	二零一零年
		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開支：		
Accrued salaries and welfare	應計薪金及福利	<u>1,038</u>	<u>258</u>
Other payables	其他應付款項	<u>26,672</u>	<u>26,672</u>
		<u>27,710</u>	<u>26,930</u>

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主要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

18 TRADE PAYABLE, 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.

19 DEFERRED INCOME TAX

The analysis of deferred income tax liabilities is as follows:

Deferred income tax liabilities	遞延所得稅負債
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Management expects the deferred income tax will be recovered after 12 months of the balance sheet date.

18 貿易應付款項、其他應付款項及應計開支(續)

貿易應付款項根據收貨日期的賬齡分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
2,227	1,463
425	808
<u>1,495</u>	<u>1,893</u>
<u>4,147</u>	<u>4,164</u>

本集團的貿易應付款項的賬面值全部以人民幣計值。

19 遞延所得稅

遞延所得稅負債分析如下：

2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<u>7,397</u>	<u>–</u>

管理層預期遞延所得稅將於結算日的12個月後收回。

Notes to the Consolidated Financial Statements

合併財務報表附註

19 DEFERRED INCOME TAX (continued)

The movements on the deferred income tax liabilities are as follows:

		Accelerated tax depreciation		Total	
		加速稅項折舊		總計	
		2011	2010	2011	2010
		二零一一年	二零一零年	二零一一年	二零一零年
		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
Acquisition of a business (Note 36)	收購業務 (附註36)	9,143	—	9,143	—
Recognised in the consolidated statement of comprehensive income (Note 28)	於合併全面收益表中確認 (附註28)	(1,746)	—	(1,746)	—
End of the year	於年末	7,397	—	—	—

No deferred income tax asset has been recognised in respect of tax losses of RMB12,653,000 as at 31 December 2011 (2010: RMB5,257,000) 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 1 January 2008 onward. Potential deferred income tax liabilities to the extent of RMB45,156,000 have not been recognised as at 31 December 2011 (2010: RMB41,151,000), in respect of withholding tax that would be payable on the unremitted earnings of certain subsidiaries as the Group has no intention to remit such unremitted earnings in these subsidiaries in the PRC in the foreseeable future. As at 31 December 2011, unremitted earnings of those relevant PRC subsidiaries amounted to RMB451,564,000 (2010: RMB411,505,000).

19 遞延所得稅 (續)

遞延所得稅負債變動如下：

於二零一一年十二月三十一日，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12,653,000元（二零一零年：人民幣5,257,000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。截至二零一一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而言，有以人民幣45,156,000元（二零一零年：人民幣41,151,000元）為限的潛在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。於二零一一年十二月三十一日，相關中國附屬公司的未付匯溢利達人民幣451,564,000元（二零一零年：人民幣411,505,000元）。

Notes to the Consolidated Financial Statements

合併財務報表附註

20 SHARE CAPITAL AND SHARE PREMIUM 20 股本及股份溢價

		Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Share premium	Total
		普通股數目	普通股面值	等值面值	股份溢價	總額
			HK\$ 港元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Authorised:	法定：					
Ordinary shares of HK\$0.1 each at 31 December 2011 and 2010 (Note (a))	於二零一一年及二零一零年 十二月三十一日每股面值 0.1港元的普通股 (附註(a))	2,000,000,000	0.1			
Issued:	已發行：					
Ordinary shares of HK\$0.1 each at 1 January 2010 (Note (a))	於二零一零年一月一日 每股面值0.1港元的普通股 (附註(a))	1	0.1	-	-	-
Allotment of new ordinary shares of HK\$0.1 each (Note (b))	配發每股面值0.1港元 的新普通股(附註(b))	549,123,120	54,912,312	48,284	190,657	238,941
Share issued in connection with the Global Offering (Note (c))	就全球發售發行股份 (附註(c))	183,042,000	18,304,200	15,576	456,365	471,941
Share issuance costs	股份發行成本	-	-	-	(106,711)	(106,711)
Ordinary shares of HK\$0.1 each at 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日 及二零一一年一月一日 每股面值0.1港元的普通股	732,165,121	73,216,512	63,860	540,311	604,171
Shares repurchased and cancelled (Note (d))	購回及註銷股份(附註(d))	(12,223,000)	(1,222,300)	(997)	(9,411)	(10,408)
Ordinary shares of HK\$0.1 each at 31 December 2011	於二零一一年十二月三十一日 每股面值0.1港元的普通股	719,942,121	71,994,212	62,863	530,900	593,763

Notes to the Consolidated Financial Statements

合併財務報表附註

20 SHARE CAPITAL AND SHARE PREMIUM (continued)

Notes:

- (a) The Company was incorporated in the Cayman Islands on 9 December 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 Inc., the ultimate holding company of the Company.
- (b) Pursuant to a resolution dated 18 January 2010 and a share subscription agreement on 5 February 2010, the Company's issued share capital was increased from RMB0.1 to RMB48,284,000, by the issuance of 549,123,120 shares of HK\$0.1 each.
- (c) On 3 December 2010, the Company issued 183,042,000 new shares of HK\$0.1 each in relation to the global offering of the Company's shares.
- (d) During the year ended 31 December 2011, the Company repurchased 12,223,000 of its own shares on the Hong Kong Stock Exchange. The total amount paid to repurchase the shares was HK\$12,764,000, equivalent to RMB10,408,000. The repurchased shares were subsequently cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of RMB9,411,000 was charged to share premium.

20 股本及股份溢價 (續)

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，本公司向其最終控股公司中國天瑞控股有限公司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，本公司就本公司股份的全球發售發行183,042,000股每股面值0.1港元的新股份。
- (d) 於截至二零一一年十二月三十一日止年度，本公司於香港聯交所購回其本身12,223,000股股份。購回股份的已付總額為12,764,000港元，相等於人民幣10,408,000元。已購回股份其後被註銷，故本公司的已發行股本已扣除該等股份的面值。購回股份已付的溢價人民幣9,411,000元已於股份溢價扣除。

Notes to the Consolidated Financial Statements

合併財務報表附註

21 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 84:

(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.

21 儲備

(a) 本集團

本集團儲備的變動詳情載於第84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

21 RESERVES (continued)

(a) Group (continued)

(ii) Capital reserves

Capital reserves represent cash contributions to Olympia Media, Fujian ShiFang and Beijing HongXinTu by the then equity owners.

(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.

(v) Capital redemption reserve

The capital redemption reserve relates to the redemption and cancellation of the Company's own shares.

21 儲備 (續)

(a) 本集團 (續)

(ii) 資本儲備

資本儲備指奧海傳媒、福建十方及北京鴻馨圖當時的權益擁有人對該等公司作出的現金供款。

(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。

(v) 股本贖回儲備

股本贖回儲備與本公司贖回及註銷本身股份有關。

Notes to the Consolidated Financial Statements

合併財務報表附註

21 RESERVES (continued)

(b) Company

21 儲備 (續)

(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	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 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 31 December 2010	於二零一零年十二月三十一日的結餘	(5,520)	5,263	(257)
Total comprehensive loss for the year	年內全面虧損總額	(13,718)	-	(13,718)
Equity-based compensation	以股權為基礎的薪酬	-	5,361	5,361
Balance at 31 December 2011	於二零一一年十二月三十一日的結餘	(19,238)	10,624	(8,614)

22 INVESTMENT IN SUBSIDIARIES – COMPANY

22 於附屬公司的投資—本公司

	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Unlisted shares, at cost	5,118	342

非上市股份·按成本

Notes to the Consolidated Financial Statements

合併財務報表附註

22 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2011:

22 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一一年十二月三十一日的主要附屬公司：

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	
					2011 二零一一年	2010 二零一零年
Directly owned subsidiaries: 直接擁有附屬公司：						
Olympia Media Holdings Limited ("Olympia Media") 奧海傳媒集團有限公司 (「奧海傳媒」)	The British Virgin Islands, 13 December 2005 英屬維爾京群島 二零零五年 十二月十三日	Investment holding 投資控股	Limited liability company 有限責任公司	US\$50,000 50,000美元	100%	100%
Gloria Fair Limited 漢鼎有限公司	Hong Kong, 2 November 2001 香港 二零零一年十一月二日	Provision of advertising, investment and interest services 提供廣告、投資及 利息服務	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, 13 December 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%
Indirectly owned subsidiaries: 間接擁有附屬公司：						
Beijing BaiChuanDuKe Science and Technology Co., Ltd. 北京百傳讀客科技有限公司	Beijing, the PRC, 14 November 2006 中國北京 二零零六年 十一月十四日	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	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

22 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2011: (continued)

22 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一一年十二月三十一日的主要附屬公司：(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	
					2011 二零一一年	2010 二零一零年
Beijing HanDing Advertisement Co., Ltd. 北京漢鼎廣告有限公司	Beijing, the PRC 8 August 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%
Dalian ShiFang Media Co., Ltd. ("Dalian ShiFang") 大連十方傳媒有限公司 (「大連十方」)	Dalian, the PRC 8 February 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%
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 1 November 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%
Fuzhou AoHai Advertisement Co., Ltd. 福州奧海廣告有限公司	Fuzhou, the PRC 19 February 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 HanDing Network Science & Technology Co., Ltd. 福州漢鼎網絡科技有限公司	Fuzhou, the PRC 30 April 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 21 September 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%

Notes to the Consolidated Financial Statements

合併財務報表附註

22 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2011: (continued)

22 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一一年十二月三十一日的主要附屬公司：(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	
					2011 二零一一年	2010 二零一零年
Kunming AoHai Advertising Co.,Ltd. 昆明奧海廣告有限公司	Kunming, the PRC 3 March 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%
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 22 July 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 17 March 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 10 September 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 27 December 2004 中國廈門 二零零四年 十二月二十七日	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

22 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2011: (continued)

22 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一一年十二月三十一日的主要附屬公司：(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	
					2011 二零一一年	2010 二零一零年
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 24 February 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%
Guizhou Qianzhong Newspaper Industry Printing Co. Ltd 貴州黔中報業印務有限公司	Guizhou, the PRC 3 June 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	RMB4,000,000 人民幣4,000,000元	100%	100%
Guizhou Shifang HanDing Media Co. Ltd 貴州十方漢鼎傳媒有限公司	Guizhou, the PRC 20 October 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	RMB10,000,000 人民幣10,000,000元	100%	100%
Fujian Haobang Real Estate Consulting & Agency Co.,Ltd. 福建好邦房產策劃代理有限公司	Fuzhou, the PRC 5 April 2011 中國福州 二零一一年四月五日	Property marketing & agency services 物業營銷及代理服務	Limited liability company 有限責任公司	RMB10,000,000 人民幣10,000,000元	51%	—
Fujian Fangke Network Technology Corporation Limited 福建房客網絡科技股份有限公司	Fuzhou, the PRC 23 December 2010 中國福州 二零一零年 十二月二十三日	Provision of full-line advertising services & Property marketing 提供全方位廣告服務及物業營銷	Limited liability company 有限責任公司	RMB50,000,000 人民幣50,000,000元	51%	—

Notes to the Consolidated Financial Statements

合併財務報表附註

22 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2011: (continued)

22 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一一年十二月三十一日的主要附屬公司：(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	
					2011 二零一一年	2010 二零一零年
Guangxi ShiFang Culture Communication Co., Ltd 廣西十方文化傳播有限公司	Nanning, the PRC 26 May 2011 中國南寧 二零一一年 五月二十六日	Provision of full-line advertising services 提供全方位廣告服務	Limited liability company 有限責任公司	RMB11,680,000 人民幣11,680,000元	100%	–
Sichuan ShiFang FuRui Investment Co., Ltd 四川十方富瑞投資有限公司	Sichuan, the PRC 22 December 2011 中國四川 二零一一年 十二月二十二日	Property development & management 物業發展及管理	Limited liability company 有限責任公司	RMB6,000,000 人民幣6,000,000元	51%	–
Liaoning ShiFang Xinda Culture Media Co., Ltd. 遼寧十方信達文化傳媒有限公司	Shenyang, the PRC 21 December 2011 中國瀋陽 二零一一年 十二月二十一日	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	60%	–
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 2 July 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	RMB30,000,000 人民幣30,000,000元	100%	100%

Notes to the Consolidated Financial Statements

合併財務報表附註

23 AMOUNTS DUE FROM/(TO) SUBSIDIARIES – COMPANY

The balances with subsidiaries are unsecured, interest-free and repayable on demand. As at 31 December 2010 and 2011, the carrying values approximate their fair values.

23 應收／（應付）附屬公司的款項－本公司

與附屬公司的結餘乃無抵押、免息及應要求償還。於二零一零年及二零一一年十二月三十一日，賬面賬與其公允價值相若。

24 OTHER INCOME – NET

24 其他收入－淨額

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Sale of newsprint papers	銷售新聞紙	473	1,451
Sale of scrap material	銷售報廢材料	2,846	2,702
Government grants	政府補助	5,078	4,293
Sundry income	雜項收入	1,680	1,145
		10,077	9,591

The Group has recognised government grants of RMB5,078,000 (2010: RMB4,293,000) from the Fujian government authority for the year ended 31 December 2011, 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.

截至二零一一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5,078,000元（二零一零年：人民幣4,293,000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

25 EXPENSES BY NATURE

Profit before income tax is stated after charging/(crediting) the following:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	4,041	937
Cost of newspaper advertising	報紙廣告成本		
– Media costs	– 媒體成本	208,380	222,864
Cost of online services	網絡服務成本	1,997	2,021
Cost of television and radio advertising	電視及電台廣告成本		
– Media costs	– 媒體成本	1,220	11,070
Cost of distribution management, consulting and printing services:	分銷管理、諮詢及印刷服務成本：		
– Raw material	– 原材料	14,416	4,317
– Media costs	– 媒體成本	4,503	4,711
– Other costs	– 其他成本	2,038	1,420
Depreciation (Note 7)	折舊(附註7)	8,646	6,081
Amortisation (Note 9)	攤銷(附註9)	9,609	601
Operating lease charges in respect of land and building	有關土地及樓宇的經營租賃收費	4,045	3,354
Net (gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備的(收益)/虧損淨額	(38)	60
Provision for impairment on trade receivables (Note 11)	貿易應收款項減值撥備(附註11)	68,101	5,438
Net foreign exchange loss	外匯虧損淨額	7,144	2,969
Employee benefit expenses (including directors' emoluments) (Note 26)	僱員福利開支(包括董事酬金)(附註26)	70,700	49,765
Business tax	營業稅	21,937	21,108

25 按性質劃分的開支

除所得稅前溢利經扣除/(計入)以下項目後入賬：

26 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	56,855	40,590
Equity-based compensation expenses (Note 35)	以股份為基礎的薪酬開支(附註35)	5,361	5,263
Discretionary bonus	酌情花紅	1,478	339
Social security costs	社保費用	2,567	1,561
Retirement scheme contribution	退休計劃供款	4,439	2,012
		70,700	49,765

26 僱員福利開支(包括董事酬金)

Notes to the Consolidated Financial Statements

合併財務報表附註

26 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments

The remuneration of each of the director of the Company paid/payable by the Group for the years ended 31 December 2011 and 2010 is set out below:

26 僱員福利開支 (包括董事酬金) (續)

(a) 董事酬金

截至二零一一年及二零一零年十二月三十一日止年度，本集團已付／應付本公司各董事的酬金載列如下：

		Year ended 31 December, 2011 截至二零一一年十二月三十一日止年度				
	Fees	Salaries and other allowances	Discretionary bonus	Social security cost	Equity-based compensation (Note 35) 以股權為 基礎的薪酬 (附註35)	Total
	袍金	薪金及 其他補貼	酌情花紅	社保費用	RMB'000	總計
	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
Executive directors:	執行董事：					
Mr. Chen Zhi	-	1,932	-	-	2,037	3,969
Mr. Hong Pei Feng	-	732	-	-	536	1,268
Mr. Zhang Tie Zhu	-	1,732	-	9	1,823	3,564
Mr. Yu Shi Quan (i)	-	9	-	-	6	15
Non-executive director:	非執行董事：					
Mr. Wang Ping	120	-	-	-	107	227
Ms. Chen Min (i)	4	-	-	-	-	4
Independent Non-executive directors:	獨立非執行董事：					
Mr. Zhou Chang Ren	120	-	-	-	-	120
Mr. Wong Heung Ming, Henry	120	-	-	-	-	120
Mr. Zhuo Ze Yuan	120	-	-	-	-	120
Mr. Cai Jian Quan (i)	4	-	-	-	-	4
Total	488	4,405	-	9	4,509	9,411

(i) Appointed on 20 December 2011

(i) 於二零一一年十二月二十日獲委任

Notes to the Consolidated Financial Statements

合併財務報表附註

26 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments (continued)

26 僱員福利開支 (包括董事酬金) (續)

(a) 董事酬金 (續)

		Year ended 31 December, 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	Equity-based compensation (Note 35) 以股權為 基礎的薪酬 (附註35)	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 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

During the year ended 31 December 2011, 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 (2010: nil).

There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 December 2011 (2010: nil).

於截至二零一一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(二零一零年：無)。

於截至二零一一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(二零一零年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

26 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(b) Five highest paid individuals

For the year ended 31 December 2011, the five individuals whose emoluments were the highest in the Group include 3 directors (2010: 3 directors), whose emoluments were reflected in the analysis presented above. The emoluments paid/payable to the remaining 2 (2010: 2 individuals) individuals during the year ended 31 December 2011 were as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	144	144
Equity-based compensation expenses	以股權為基礎的薪酬開支	530	526
Discretionary bonus	酌情花紅	-	-
Social security costs	社保費用	6	4
		680	674

For the years ended 31 December 2011 and 2010, the emoluments of the highest paid individuals of the Group fall within the following bands:

		Number of individuals 人數	
		2011 二零一一年	2010 二零一零年
Nil to HK\$1,000,000	零至1,000,000港元	2	2

26 僱員福利開支 (包括董事酬金) (續)

(b) 五名最高薪人士

截至二零一一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（二零一零年：三名）董事，其酬金反映在上文所呈列的分析中。於截至二零一一年十二月三十一日止年度，已付／應付餘下兩名（二零一零年：兩名）人士的酬金如下：

截至二零一一年及二零一零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

26 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(c) Key management compensation

26 僱員福利開支(包括董事酬金) (續)

(c) 主要管理層薪酬

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	6,241	3,289
Equity-based compensation expenses	以股權為基礎的薪酬開支	5,361	5,263
Social security costs	社保費用	37	23
		11,639	8,575

27 FINANCE INCOME AND COSTS

27 融資收益及成本

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	2,472	274
Interest expense on:	利息開支：		
– Bank borrowings	– 銀行借款	(1,687)	(1,462)
Finance income/(costs) – net	融資收益／(成本) – 淨額	785	(1,188)

Notes to the Consolidated Financial Statements

合併財務報表附註

28 INCOME TAX EXPENSES

28 所得稅開支

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Current income tax	即期所得稅		
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	26,747	24,013
– (Over)/under provision in prior years	– 過往年度(超額撥備)/ 撥備不足	(1,503)	342
		25,244	24,355
Deferred income tax (Note 19)	遞延所得稅(附註19)	(1,746)	–
		23,498	24,355

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 31 December 2011 and 2010.

Fuzhou HongXinTu was qualified as a manufacturing foreign enterprise, and was entitled to Foreign Enterprise Income Tax ("FEIT") holiday of two year exemption plus three year half reduction since 2007 provided that it would operate for more than 10 years. In addition, as Fuzhou HongXinTu located in Fuzhou Economic Development Zone, the tax rate would gradually be increased from 18% to 25% over a period of 5 years. The applicable tax rate of Fuzhou HongXinTu for year ended 31 December 2011 was 12% (2010: 11%). 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 2012. The applicable tax rate of Shifang YaQi for year ended 31 December 2011 was 24% (2010: 22%). Based on the certificate dated 30 December 2008, Xiamen Duke was granted the qualification as a software production enterprise, and was entitled to FEIT holiday of two year exemption plus three year half reduction since 2008. In addition, Xiamen Duke was located in the High technology Development Zone, the tax rate would gradually be increased from 18% to 25% over a period of 5 years. The applicable tax rate of Xiamen Duke for year ended 31 December 2011 was 12% (2010: 15%).

由於本集團於截至二零一一年及二零一零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。

福州鴻馨圖合資格成為外資製造企業，有權享受其自二零零七年開始的兩年外資企業所得稅(「外資企業所得稅」)豁免期，其後三年的稅項減半，條件為福州鴻馨圖將營運超過十年。此外，由於福州鴻馨圖位於福州經濟技術開發區，稅率可於五年期間逐步由18%遞增至25%。截至二零一一年十二月三十一日止年度，福州鴻馨圖的適用稅率為12%(二零一零年：11%)。十方亞祺有權享有豁免待遇，其適用企業所得稅率直至二零一二年止五年期間逐步採用18%至25%的稅率。截至二零一一年十二月三十一日止年度，十方亞祺的適用稅率為24%(二零一零年：22%)。按照日期為二零零八年十二月三十日的證書，廈門讀客獲授軟件生產企業資格，有權享受其自二零零八年開始的兩年外資企業所得稅豁免期，其後三年的稅項減半。此外，由於廈門讀客位於高技術開發區，稅率可於五年期間逐步由18%遞增至25%。截至二零一一年十二月三十一日止年度，廈門讀客的適用稅率為12%(二零一零年：15%)。

Notes to the Consolidated Financial Statements

合併財務報表附註

28 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:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	82,519	185,435
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	23,794	46,568
Tax effects of:	以下項目的稅項影響：		
– Income not subject to tax	– 毋須繳稅收入	(1,225)	(385)
– Expenses not deductible for tax purposes	– 不可扣稅開支	11,885	557
– 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	1,849	1,462
– Utilisation of previously unrecognised tax losses	– 動用過往未確認稅項虧損	–	–
– Effect of tax holiday	– 稅項豁免期的影響	(11,302)	(24,189)
– (Over)/under provision in prior years income tax expenses	– 過往年度所得稅開支(超額撥備)/撥備不足	(1,503)	342
		23,498	24,355

The weighted average applicable tax rate was 29% (2010:25%). The increase is mainly caused by the change in applicable corporate income tax rates of certain subsidiaries operating in the PRC.

28 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：

加權平均適用稅率為29% (二零一零年：25%)。有關增加主要由於若干於中國營運的附屬公司的適用企業所得稅率改變所致。

Notes to the Consolidated Financial Statements

合併財務報表附註

29 EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the years ended 31 December 2011 and 2010 is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2011 二零一一年	2010 二零一零年
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)	52,978	161,095
Weight average number of shares in issue (thousands)	已發行股份加權平均數 (千股)	728,612	563,666
Basic earnings per share (RMB per share)	每股基本溢利 (每股人民幣)	0.0727	0.2858

(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 31 December 2010, the Company's share options issued under the pre-IPO share option was the sole category of dilutive potential ordinary shares. For the year ended 31 December 2011, the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive.

29 每股溢利

(a) 基本

截至二零一一年及二零一零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已發行普通股加權平均數計算。

(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計劃發行的購股權為具潛在攤薄影響的普通股的唯一類別。截至二零一一年十二月三十一日止年度，年內發行在外的具潛在攤薄影響的普通股獲全數兌換的假設具有反攤薄影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

29 EARNINGS PER SHARE (continued)

(b) Diluted (continued)

29 每股溢利 (續)

(b) 攤薄 (續)

		2011 二零一一年	2010 二零一零年
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>52,978</u>	<u>161,095</u>
Weighted average number of ordinary shares issued (thousands)	已發行普通股加權平均數 (千股)	<u>728,612</u>	563,666
Adjustment for share option (thousands)	購股權調整 (千股)	<u>-</u>	<u>6,796</u>
Weighted average number of ordinary shares issued for diluted earnings 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>728,612</u>	<u>570,462</u>
Diluted earnings per share (RMB per share)	每股攤薄溢利 (每股人民幣)	<u><u>0.0727</u></u>	<u><u>0.2824</u></u>

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

30 DIVIDEND

No dividend has been declared by the Company since its incorporation.

30 股息

本公司自註冊成立起概無宣派股息。

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operation

31 合併現金流量表附註

(a) 經營所得現金

	Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before income tax		82,519	185,435
Adjustments for:			
Depreciation	7	8,646	6,081
Amortisation	9	9,609	601
(Gain)/loss on disposal of property, plant and equipment	31(b)	(38)	60
Provision for impairment of trade receivables	11	68,101	5,438
Bad debt written off		143	-
Finance income	27	(2,472)	(274)
Finance costs	27	1,687	1,462
Share of loss of an associate	10	307	-
Fair value gain of investment properties	24	(158)	-
Equity-based compensation expenses	26	5,361	5,263
Changes in working capital:			
- Trade receivables		(72,772)	(112,728)
- Inventories		(2,958)	(1,333)
- Prepayments, deposits and other receivables		(78,902)	(16,569)
- Amounts due from related parties		(694)	19,533
- Trade payables		(17)	442
- Other payables and accrued expenses		8,127	(6,015)
- Amounts due to related parties		(3,861)	(1,704)
Cash generated from operations		22,628	85,692

Notes to the Consolidated Financial Statements

合併財務報表附註

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Disposal of property, plant and equipment

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net book amount (Note 7)	賬面淨額(附註7)	116	211
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備 收益/(虧損)	38	(60)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	<u>154</u>	<u>151</u>

32 COMMITMENTS

(a) Operating lease commitments – Group

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Not later than 1 year	一年以下	3,754	2,874
Later than 1 year and not later than 5 years	一年以上及五年以下	9,964	12,095
Later than 5 years	五年以上	4,603	1,788
		<u>18,321</u>	<u>16,757</u>

31 合併現金流量表附註(續)

(b) 出售物業、廠房及設備

合併現金流量表中出售物業、廠房及設備的所得款項包括：

32 承擔

(a) 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 COMMITMENTS (continued)

(b) Commitment for exclusive cooperative agreements – Group

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

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Not later than 1 year	一年以下	252,750	248,279
Later than 1 year and not later than 5 years	一年以上及五年以下	623,250	606,819
Later than 5 years	五年以上	1,992,750	2,162,000
		2,868,750	3,017,098

33 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.

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

32 承擔 (續)

(b) 獨家合作協議承擔 – 本集團

不可撤銷獨家合作協議的日後付款總額如下：

33 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。

本公司董事認為，該等關連人士交易乃於日常業務過程中按照本集團與各關連人士相互協定的條款進行。

Notes to the Consolidated Financial Statements

合併財務報表附註

33 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 31 December 2011:

Name 名稱	Relationship with the Group 與本集團的關係
Mr. Chen Zhi 陳志先生	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
Fujian JinDi Mining Industry Co., Ltd. 福建金地礦業有限公司	Controlled by the Chief Executive Officer of the Group 由本集團首席執行官控制
Fujian ShiFang Digital Technology Co., Ltd. 福建十方數碼技術有限公司	Controlled by the Chief Executive Officer of the Group 由本集團首席執行官控制
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 27 November 2009 to 18 June 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 22 December 2009 to 18 June 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 3 September 2009 to 18 June 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

33 關連人士交易 (續)

(a) 本公司董事認為，以下公司／個人為於截至二零一一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

33 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 31 December 2011: (continued)

33 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一一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)

Name 名稱	Relationship with the Group 與本集團的關係
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
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

Notes to the Consolidated Financial Statements

合併財務報表附註

33 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 31 December 2011: (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 本公司執行董事
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	A significant shareholder of the Company 本公司的主要股東
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
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

33 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一一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

33 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 31 December 2011: (continued)

33 關連人士交易 (續)

(a) 本公司董事認為，以下公司／個人為於截至二零一一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)

Name 名稱	Relationship with the Group 與本集團的關係
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 20 August 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
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 18 August 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
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
Liaoning Baixin Media Company Limited 遼寧百信傳媒有限公司	A significant shareholder of a subsidiary of the Group 本集團一家附屬公司的主要股東
Fujian Lanting Network Technology Holding Limited Company 福建蘭庭網路科技股份有限公司	A significant shareholder of a subsidiary of the Group 本集團一家附屬公司的主要股東

Notes to the Consolidated Financial Statements

合併財務報表附註

33 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 31 December 2011: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

Mr. Yu Shi Quan
余詩權先生

Executive director of the Company
本公司執行董事

Mr. Wang Ping
王平先生

Non-executive director of the Company
本公司非執行董事

Ms. Chen Min
陳敏女士

Non-executive director of the Company
本公司非執行董事

Mr. Zhou Chang Ren
周昌仁先生

Independent non-executive director of the Company
本公司獨立非執行董事

Mr. Wong Heung Ming, Henry
黃向明先生

Independent non-executive director of the Company
本公司獨立非執行董事

Mr. Zhuo Ze Yuan
卓澤淵先生

Independent non-executive director of the Company
本公司獨立非執行董事

33 關連人士交易 (續)

- (a) 本公司董事認為，以下公司／個人為於截至二零一一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

33 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 31 December 2011: (continued)

Name
名稱

Relationship with the Group
與本集團的關係

Mr. Cai Jian Quan
蔡建權先生

Independent non-executive director of the Company
本公司獨立非執行董事

Fuzhou Development Zone Xuanhua
Industry & Trade Co., Ltd
福州開發區玄擘工貿有限公司

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

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.

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。

- (b) Transactions with related parties:

- (b) 與關連人士進行的交易：

The following transactions were undertaken by the Group with related parties during the year ended 31 December 2011:

本集團於截至二零一一年十二月三十一日止年度與關連人士進行以下交易：

(i) Continuing transactions

(i) 持續交易

	2011	2010
	二零一一年	二零一零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Key management compensation (Note 26(c))	11,638	8,575
主要管理人員薪酬 (附註26(c))		

Notes to the Consolidated Financial Statements

合併財務報表附註

33 RELATED-PARTY TRANSACTIONS (continued)

(b) Transactions with related parties: (continued)

(ii) Non-continuing transactions

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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 member of key management of the Group	本集團主要管理人員所控制的公司	-	1,023
Companies 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
		<u>-</u>	<u>3,982</u>

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 Inc., a significant shareholder of the Company of the Company.

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本公司的主要股東中國天瑞控股有限公司支付的開支。

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Expenses paid on behalf of related party:	代表關連人士所付開支：		
A significant shareholder of the Company	本公司的主要股東	3,491	3,519
		<u>3,491</u>	<u>3,519</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

33 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties:

As at 31 December 2010 and 2011, the balances are unsecured, interest-free and are repayable on demand:

33 關連人士交易 (續)

(c) 與關連人士存有的結餘：

於二零一零年及二零一一年十二月三十一日無抵押、免息及應要求償還之結餘：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amount due from a significant shareholder of the Company – non-trade	應收本公司的主要股東款項 – 非貿易	1,760	–
The maximum balance due from a significant shareholder of the Company during the year ended 31 December 2011 was RMB2,000,000.	截至二零一一年十二月三十一日止年度，應收本公司的主要股東款項的最高結餘為人民幣2,000,000元。		
Amounts due from related parties – trade	應收關連人士款項 – 貿易		
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	–	12,000
Amounts due from related parties – non-trade	應收關連人士款項 – 非貿易		
A non-controlling shareholder of a subsidiary of the Group	本集團一間附屬公司的一名非控股股東	500	–
Spouse of the Chief Executive Officer of the Group	本公司首席執行官的配偶	667	663
Key management of the Group	本集團的主要管理人員	1,363	1,357
A company controlled by the chief executive officer of the Group	本集團首席執行官所控制的一間公司	177	115
		2,707	2,135
Amounts due from a director:	應收董事款項：		
Mr. Hong Peifeng	洪培峰先生	362	–
		4,829	14,135

The maximum balance due from Mr. Hong Peifeng during the year ended 31 December 2011 was RMB1,290,000.

截至二零一一年十二月三十一日止年度，應收洪培峰先生款項的最高結餘為人民幣1,290,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

33 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties: (continued)

As at 31 December 2010 and 2011, the balances are unsecured, interest-free and are repayable on demand:

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amount due to a significant shareholder of the Company – non-trade	應付本公司的主要股東款項 – 非貿易	–	1,731
Amounts due to directors:	應付董事款項：		
Mr. Chen Zhi	陳志先生	286	151
Mr. Hong Peifang	洪培峰先生	–	1,641
Mr. Zhang Tiezhu	張鐵柱先生	416	141
Others	其他	56	40
		758	1,973

The balances mainly represent the directors' fee payable to the directors. All the above balances are unsecured, interest-free and repayable on demand.

33 關連人士交易 (續)

(c) 與關連人士存有的結餘：(續)

於二零一零年及二零一一年十二月三十一日無抵押、免息及應要求償還之結餘：

該等結餘主要指應付董事的董事袍金。上述所有結餘為無抵押、免息及應要求償還。

Notes to the Consolidated Financial Statements

合併財務報表附註

33 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties: (continued)

33 關連人士交易 (續)

(c) 與關連人士存有的結餘：(續)

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amounts due to related parties:	應付關連人士款項：		
A Company controlled by the Chief Executive Officer of the Group	本集團首席執行官所控制的一間公司	<u>157</u>	<u>157</u>
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	15	69
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	312
Companies controlled by a director of the Company	本公司一名董事所控制的公司	–	861
Key management of the Group	本集團主要管理人員	<u>40</u>	<u>40</u>
		<u>367</u>	<u>1,282</u>
		<u>1,282</u>	<u>5,143</u>
Amount due to a related party – non-trade (non-current portion)	應付關連人士款項 – 非貿易 (非流動部分)		
A non-controlling shareholder of a subsidiary of the Group	本集團一間附屬公司的一名非控股股東	<u>68,600</u>	–

The balance due to a non controlling shareholder is unsecured, interest-free, with no fixed repayment term and repayable upon mutual agreement between the Group and the non-controlling shareholder.

應付一名非控股股東之結餘為無抵押、免息及無固定還款期，並須按本集團與該名非控股股東之相互協議償還。

Notes to the Consolidated Financial Statements

合併財務報表附註

34 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 31 December 2011 were approximately RMB4,439,000 (2010: RMB2,012,000). No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

34 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。

截至二零一一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4,439,000元（二零一零年：人民幣2,012,000元）。概無沒收供款可用作減少未來年度本集團應付供款。

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 26 February 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 31 December 2011, the equity-based compensation expenses amounted to RMB5,361,000 (2010: RMB5,263,000).

Each share option gives the holder the right to subscribe for one ordinary share of the Company.

35 股份期權計劃

(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。截至二零一一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5,361,000元（二零一零年：人民幣5,263,000元）。

每份購股權賦予持有人認購本公司一股普通股的權利。

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)

- (i) Movement of Pre-IPO Share Option Scheme during the year ended 31 December 2010 and 2011 is as follows:

		Exercise Price 行使價 (HK\$) (港元)	Number of Option 購股權數目
At 1 January 2010	於二零一零年一月一日	-	-
Granted on 26 February 2010	於二零一零年二月二十六日授出	1.82	27,456,156
At 31 December 2010 and 2011	於二零一零年及二零一一年 十二月三十一日	1.82	27,456,156

As at 31 December 2011, no options were exercised. All of the outstanding share options will be expired by 2 December 2014.

The weighted average fair value per share option granted during the year ended 31 December 2010 was 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 股份期權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

- (i) 首次公開發售前購股權計劃於截至二零一零年及二零一一年十二月三十一日止年度的變動如下:

		Exercise Price 行使價 (HK\$) (港元)	Number of Option 購股權數目
At 1 January 2010	於二零一零年一月一日	-	-
Granted on 26 February 2010	於二零一零年二月二十六日授出	1.82	27,456,156
At 31 December 2010 and 2011	於二零一零年及二零一一年 十二月三十一日	1.82	27,456,156

於二零一一年十二月三十一日，並無購股權已行使。所有尚未行使的購股權將於二零一四年十二月二日期滿。

按二項式期權定價模型釐定已於截至二零一零年十二月三十一日止年度內授出的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：授出日期的公允市價每份購股權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)

- (i) Movement of Pre-IPO Share Option Scheme during the year ended 31 December 2010 and 2011 is as follows: (continued)

		Held at 31 December 2010 於二零一零年 十二月三十一日 持有	Granted during the year 於年內授出	Held at 31 December 2011 於二零一一年 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	-	24,161,417	26 February 2010 二零一零年 二月二十六日	2 December 2014 二零一四年 十二月二日
Other employees	其他僱員	4,392,985	-	3,294,739	26 February 2010 二零一零年 二月二十六日	2 December 2014 二零一四年 十二月二日
		<u>27,456,156</u>	<u>-</u>	<u>27,456,156</u>		

(b) Share Option Scheme

Pursuant to the resolutions in writing passed by the shareholders of the Company on 8 November 2010, the Company adopted a share option scheme on 8 November 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 股份期權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

- (i) 首次公開發售前購股權計劃於截至二零一零年及二零一一年十二月三十一日止年度的變動如下：(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 股份期權計劃 (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 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.

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 2011, no share option had been granted under the Share Option Scheme.

35 股份期權計劃 (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。於二零一一年十二月三十一日，並無根據購股權計劃授出任何購股權。

Notes to the Consolidated Financial Statements

合併財務報表附註

36 BUSINESS COMBINATION – GROUP

On 10 July 2011, the Group acquired the real estate marketing and planning business from Fuzhou H-Brand.

Details of net assets acquired and goodwill are as follows:

		RMB'000 人民幣千元
Purchase consideration:	購買代價：	
– cash paid	– 已付現金	40,000
Fair value of net assets acquired (shown as below)	所收購淨資產公允價值 (如下文所列)	<u>(27,427)</u>
Goodwill (Note 9)	商譽(附註9)	<u>12,573</u>

The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise after the acquisition by the Group.

The assets arising from the acquisition are as follows:

		Acquiree's carrying amount	Fair value
		被收購方 賬面值	公允價值
		RMB'000 人民幣千元	RMB'000 人民幣千元
Intangible assets (Note 9)	無形資產(附註9)	–	36,570
Deferred tax liabilities (Note 19)	遞延稅項負債(附註19)	–	<u>(9,143)</u>
Net Assets	淨資產	<u>–</u>	<u>27,427</u>
Outflow of cash to acquire business, net of cash acquired:	收購業務的現金流出 (扣除所收購現金)：		
– cash consideration	– 現金代價		(40,000)
– cash and cash equivalents acquired	– 所收購現金及現金等值項目		<u>–</u>
Net cash outflow on acquisition	收購的現金流出淨額		<u>(40,000)</u>

36 業務合併－本集團

於二零一一年七月十日，本集團向福州好邦收購房地產營銷及規劃業務。

所收購淨資產及商譽詳情如下：

		RMB'000 人民幣千元
Purchase consideration:	購買代價：	
– cash paid	– 已付現金	40,000
Fair value of net assets acquired (shown as below)	所收購淨資產公允價值 (如下文所列)	<u>(27,427)</u>
Goodwill (Note 9)	商譽(附註9)	<u>12,573</u>

商譽來自所收購業務的團隊以及預期於本集團收購後產生的協同效應。

收購所產生的資產如下：

		Acquiree's carrying amount	Fair value
		被收購方 賬面值	公允價值
		RMB'000 人民幣千元	RMB'000 人民幣千元
Intangible assets (Note 9)	無形資產(附註9)	–	36,570
Deferred tax liabilities (Note 19)	遞延稅項負債(附註19)	–	<u>(9,143)</u>
Net Assets	淨資產	<u>–</u>	<u>27,427</u>
Outflow of cash to acquire business, net of cash acquired:	收購業務的現金流出 (扣除所收購現金)：		
– cash consideration	– 現金代價		(40,000)
– cash and cash equivalents acquired	– 所收購現金及現金等值項目		<u>–</u>
Net cash outflow on acquisition	收購的現金流出淨額		<u>(40,000)</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

36 BUSINESS COMBINATION – GROUP (continued)

The revenue and profit included in the consolidated statement of comprehensive income since 10 July 2011 contributed by acquired business was RMB17,853,000 and RMB9,763,000 respectively. Had the above acquisition taken place on 1 January 2011, the consolidated statement of comprehensive income would show revenue of RMB546,537,000 and profit of RMB68,593,000.

37 CONTINGENT LIABILITIES

On 26 July 2011, Shenyang Media Corporation, one of the Group's partners under a comprehensive cooperation contract, unilaterally terminated the contract with the Group.

Shenyang Media Corporation initiated civil action against the Group on 25 October 2011 through the Shenyang Intermediate People's Court in Liaoning Province ("Intermediate People's Court"), where Shenyang Media Corporation claimed the Group for a total sum of RMB 17,329,000, being the outstanding advertising fee payable by the Group as at 26 July 2011 under the comprehensive cooperation contract between the Group and Shenyang Media Corporation and all legal costs in relation to the litigation.

On 22 December 2011, the Group issued a civil writ to the Higher People's Court of Liaoning Province (the "Higher People's Court") in the PRC against Shenyang Daily Agency and Shenyang Media Corporation, pursuant to which the Group claimed Shenyang Daily Agency and Shenyang Media Corporation for a total sum of RMB105,579,352, being the outstanding advertising fees payable by the Shenyang Daily Agency and Shenyang Media Corporation to the Group under their comprehensive cooperation contract with the Group together with all the legal costs the Group incurred in relation to such litigation.

36 業務合併－本集團（續）

自二零一一年七月十日以來，所收購業務應佔並已計入合併全面收益表的收入及溢利分別為人民幣17,853,000元及人民幣9,763,000元。倘上述收購於二零一一年一月一日進行，則合併全面收益表將記入收入人民幣546,537,000元及溢利人民幣68,593,000元。

37 或有負債

於二零一一年七月二十六日，瀋陽傳媒公司（本集團其中一名全面合作合約的夥伴）單方面解除與本集團訂立的合約。

於二零一一年十月二十五日，瀋陽傳媒公司透過遼寧省瀋陽市中級人民法院（「中級人民法院」）向本集團提出民事訴訟，向本集團索償總額人民幣17,329,000元，即於二零一一年七月二十六日，本集團根據與瀋陽傳媒公司訂立的全面合作合約應付的尚未支付廣告費及有關該訴訟的所有法律費用。

於二零一一年十二月二十二日，本集團針對瀋陽日報社及瀋陽傳媒公司向中國遼寧省高級人民法院（「高級人民法院」）發出民事起訴狀，據此，本集團向瀋陽日報社及瀋陽傳媒公司索償總額人民幣105,579,352元，即瀋陽日報社及瀋陽傳媒公司根據與本集團訂立的全面合作合約應付予本集團的尚未支付廣告費連同本集團就該訴訟產生的所有法律費用。

Notes to the Consolidated Financial Statements

合併財務報表附註

37 CONTINGENT LIABILITIES (continued)

On 8 March 2012, the Group has received a civil judgment issued by the Higher People's Court in relation to the civil writ issued on 22 December 2011, pursuant to which the Higher People's Court decided to refer the case to the Intermediate People's Court. On 13 March 2012, the Group has lodged an appeal to the Supreme People's Court of the PRC (the "Supreme People's Court") to request the Supreme People's Court to overrule the Higher People's Court's decision and order that the case shall remain to be heard in the Higher People's Court pursuant to the PRC law.

No provision for loss has been made in respect of the litigation between the Group, Shenyang Daily Agency and Shenyang Media Corporation, as at 31 December 2011, as management, having considered all available facts and circumstances and legal advice from the Group's external legal counsel, has determined that these claims would not result in an outflow of economic benefits from the Group.

38 SUBSEQUENT EVENTS

On 9 January 2012, the Group has paid a total amount of RMB100,000,000 as additional investment cost to Yunnan Handing, the associate of the Group.

37 或有負債 (續)

於二零一二年三月八日，本集團收到高級人民法院就於二零一一年十二月二十二日發出的民事起訴狀發出的民事裁定書，據此，高級人民法院裁定將該案件交由中級人民法院審理。於二零一二年三月十三日，本集團已向中國最高人民法院（「最高人民法院」）提起上訴，請求最高人民法院依照中國法律改裁高級人民法院的裁定，並將該案件仍交由高級人民法院審理。

經考慮所有可得知事實及情況以及本集團外部法律顧問的法律意見後，管理層認為該等索償不會導致本集團經濟利益流出，故於二零一一年十二月三十一日，並無就本集團與瀋陽日報社及瀋陽傳媒公司的訴訟作出虧損撥備。

38 報告期後事項

於二零一二年一月九日，本集團已支付合共人民幣100,000,000元作為對本集團聯營公司雲南漢鼎的額外投資成本。

