

The logo for SHIFANG, featuring the word "SHI" in a stylized, italicized font, followed by a red and black circular graphic element, and then the word "FANG" in a similar italicized font.

SHI FANG

SHIFANG HOLDING LIMITED

十方控股有限公司



2012 年報 ANNUAL REPORT

(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

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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 Directors

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

REGISTERED OFFICE

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

註冊辦事處

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

總部及中國主要營業地點

中國
福建省福州市
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三山大廈6樓

PLACE OF BUSINESS IN HONG KONG

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

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

LEGAL ADVISORS

As to Hong Kong and U.S. law:

DLA Piper Hong Kong

法律顧問

關於香港及美國法律：

歐華律師事務所

As to PRC law:

Grandall Law Firm (Fuzhou)

關於中國法律：

國浩律師(福州)事務所

As to Cayman Islands law:

Maples and Calder

關於開曼群島法律：

邁普達律師事務所

INDEPENDENT AUDITOR

PricewaterhouseCoopers

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				
		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Revenues	收入	377,242	529,034	529,940	462,967	361,706
Gross profit	毛利	111,875	266,305	255,796	219,877	130,204
Operating (loss)/profit	經營(虧損)/溢利	(112,912)	82,041	186,623	168,649	93,945
(Loss)/profit attributable to:	以下各項應佔(虧損)/溢利:					
	(i) Equity holders of the Company	(137,940)	52,978	161,095	140,819	79,775
	(ii) Non-controlling interests	7,568	6,043	(15)	(39)	(545)
(Loss)/earnings per share – Basic (RMB cents)	每股(虧損)/溢利 – 基本 (人民幣分)	(0.1799)	0.0727	0.2858	0.2564	0.1453

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		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
Total assets	總資產	1,308,971	1,414,639	1,285,003	499,588	364,599
Total debt	總債項	44,539	49,685	54,764	84,107	103,477
Total liabilities	總負債	246,966	258,589	213,417	197,808	203,599
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	1,018,831	1,119,045	1,071,114	301,293	160,474
(ii) Non-controlling interests	(ii) 非控股權益	43,174	37,005	472	487	526

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				
		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
Gross profits margins:	毛利率:					
(i) Overall	(i) 整體	29.7%	50.3%	48.3%	47.5%	36.0%
(ii) Newspaper advertising	(ii) 報紙廣告	19.9%	41.9%	41.9%	40.1%	30.4%
(iii) Marketing, distribution management, consulting and printing services	(iii) 營銷、分銷管理、 諮詢及印刷服務	51.5%	63.4%	56.2%	61.9%	62.8%
(iv) Online services	(iv) 網絡服務	67.2%	92.2%	91.2%	92.2%	96.6%
(v) Television and radio advertising	(v) 電視及電台廣告	(95.3%)	(174.1%)	14.8%	-	-
Operating margins	經營利潤率	(30.0%)	15.5%	35.3%	36.4%	26.0%
Net margins	淨利潤率	(34.6%)	11.2%	30.4%	30.4%	21.9%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	(12.3%)	5.1%	15.0%	46.6%	49.2%
Return on assets ⁽²⁾	資產回報率 ⁽²⁾	(10.0%)	4.2%	12.5%	28.2%	21.7%
Trade receivables turnover (days)	貿易應收款項週轉率(日)	226	177	141	106	84
Trade payables turnover (days)	貿易應付款項週轉率(日)	7	6	5	23	42
Gearing ratio	資產負債比率	3.4%	3.5%	4.3%	16.8%	28.4%

Note

附註

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

(1): 股本回報率按年內(虧損)/溢利除以權益總額計算。

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

(2): 資產回報率按年內(虧損)/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 2012, although the Chinese economy started to pick up again with the help of various fiscal stimuli, it remained hindered by the sluggish global economy. Being particularly sensitive to economic fluctuations and cycle, the advertising industry was under relatively great pressure. With the arrested growth of the overall advertising market, traditional newspaper and magazine advertising sectors saw the first year of contraction in the past decade as compared with last year while advertising in new media obtained larger market share in China. Key advertisers such as the commercial, services, real estate and automobile sectors continued to cut down on their advertising expenses, which had a direct bearing on the operations of ShiFang Holding Limited (the "Company") and its subsidiaries (collectively, the "Group"). Coupled with the termination of the advertising agreement with *Shenyang Evening News* in July 2011 due to contractual disputes between the parties and the expiration of the Group's advertising agreement with *Dalian Daily* as well as the persistent uncertainties about the recovery of certain receivables, such setbacks brought down the Group's revenue from core businesses and net loss after tax for 2012 to approximately RMB377.2 million and RMB130.4 million, respectively.

二零一二年，在世界經濟下行背景下，中國國內經濟增長持續減速趨勢，但隨着穩增長政策措施逐步推出，經濟發展緩中趨穩。受經濟波動的週期性影響明顯較大的廣告行業，也面臨了較大的壓力，全國廣告同比增長總體下滑，傳統報刊廣告業務更是10年來首次出現負增長，新媒體廣告業務搶佔傳統廣告業務的市場份額，商業、服務性行業、房地產及汽車等關鍵支柱行業的廣告投入持續減少，直接影響到十方控股有限公司（「本公司」）及附屬公司（「本集團」）的業務運營狀況。此外，受本集團與《瀋陽晚報》訂立的廣告協議因合約糾紛而於二零一一年七月終止、與《大連日報》訂立的廣告協議屆滿、持續不確定能否收回若干應收款項因素影響，二零一二年主營業務收入約為人民幣377.2百萬元，稅後淨虧損約為人民幣130.4百萬元。

Chairman's Statement

主席報告書

STRENGTHENING CUSTOMER BASE

In view of the tough external environment, the Group proactively adjusted its customer base during the year with the help of its status as a multi-media advertising company. The sales teams in over seven second and third-tier cities in six provinces across China have flexibly modulated their strategies according to the changing needs of their respective markets with the aim of expanding their customer bases. Given the drop in advertising spending from the real estate and automobile industries, the Group has been actively expanding into the advertising market of fast-moving consumer products, which are important to everyday life. The Group has also on one hand offered a wider range of solutions to its existing clients in order to maximize their values, and on the other hand enlarged its customer base through securing new customer in the new media sector where demand is greater. It is expected that the unceasing growth of the Internet and mobile phone as new communication media will give fresh impetus to the Group's online services and new media business.

EXPANSION OF NEW MEDIA BUSINESS IN AGGRESSIVE YET PRUDENT MANNER

Confronted by the competition from new media, the traditional advertising segments, in particular the newspaper sector, saw slower growth in spending in 2012 as compared to the average growth from 2008 to 2011. According to the *Report on Newspaper and Magazine Advertising Spending in China*, published on the website of Meihua Information, which is a renowned marketing information provider in China, newspaper advertising spending posted a year-on-year decrease of 19.2% in 2012. According to the data on the Chinese Internet advertising market in 2012 released by iResearch, the aggregate market value of advertising on the Internet, which is a new media in China, amounted to RMB75.31 billion, representing a growth of 46.8% as compared with last year. Advertisements are gradually evolving from one-way publicity in the traditional media into interactive and instant communication in the new media. In light of the current rapid development of new media advertising, the

強化客戶基礎

面對較為嚴峻的外部經營環境，作為跨媒體廣告公司，我們在過去的一年積極調整客戶基礎，遍佈中國六個省份超過七個二、三線城市的各地銷售團隊基於當地市場的需求變化而靈活調整策略，致力於強化客戶基礎。隨着房地產及汽車企業的廣告投入減少，本集團積極拓展與民生息息相關的快速消費品廣告業務，為現有客戶提供更多的解決方案、深挖客戶價值，同時針對國內目前需求較大的新媒體市場，拓展更多的該行業新客戶，豐富現有客戶基礎。本集團預計，隨着互聯網和手機等新興傳播行業的持續發展，將會為本集團網絡新媒體業務的發展帶來新的機遇。

審慎進取，拓展新媒體業務

面對新媒體廣告的博弈，傳統廣告業務特別是報紙廣告刊例花費在二零一二年增長持續放緩，低於二零零八至二零一一年的平均增長水平。根據中國市場營銷行業知名的信息中心「梅花網」發佈的《中國報刊廣告投放年度報告》顯示，二零一二年報紙廣告投放同比跌幅19.2%，根據艾瑞發佈的二零一二年度中國互聯網廣告市場核心數據，作為新媒體的中國網絡廣告市場規模高達人民幣753.1億元，較去年增長46.8%。廣告傳播從以往的傳統媒體單向傳播形式，逐漸往可以雙向溝通及即時溝通的新媒體傳播形式發展。基於目前新媒體廣告行業已迅速發展，本集團審慎進取發展綜合傳播平台，除努力維持現有的報紙、電視及電台平台外，本公司積極發展以移動終端和互聯網為主要形式的新媒體渠道，借助現有的各地銷售團



Group has been expanding its comprehensive media platform in an aggressive yet prudent manner. In addition to reinforcing the existing newspaper, television and radio platforms, the Company has also actively developing its new media channels led by mobile devices and the Internet. Capitalizing on the existing sales teams across the nation, the Group offered more choices of media to the existing and potential clients. Being fully aware of the importance of in-house new media expertise, the Group acquired Skybread International Limited aiming for its Cloud Call business to provide a solid technological platform for the Group to boost the future development of its mobile and Internet advertising business. Meanwhile, the existing in-house new media platforms were also enhanced. For instance, Beijing BaiChuanDuKe Science and Technology Co., Ltd. ("BaiChuanDuKe"), a subsidiary of the Group, has entered into an advertising service agreement with Beijing Wangxin Gaoke Information Technology Co., Ltd., pursuant to which BaiChuanDuKe will broadcast its promotional advertisement for a total of 12 million times through Chinaunicom Ezhuan RingTone across China so as to attract end users.

Facing the weak macro-economic environment, the Group's operations were also impacted to varying extents. For example, the advertising distribution agreement with *Shenyang Evening News* was terminated due to some contractual disputes, while the exclusive real estate advertising agreement with *Dalian Daily* has expired. Furthermore, cash deposits of the Group have been temporarily frozen by Yueyang Intermediate People's Court. According to the latest update, the relevant enforcement

隊，為現有及潛在客戶提供更多的傳播渠道選擇。本集團認識到自身新媒體技術的重要性，例如本集團加強移動終端及網絡廣告業務渠道發展，收購Skybread International Limited，看重其在雲呼業務的發展，為本集團未來發展提供堅實技術平台。同時，本集團也積極拓展自身新媒體的影響力，例如本集團旗下的北京百傳讀客科技有限公司（「百傳讀客」）與北京網信高科信息技術有限公司訂立的廣告服務協議，透過於中國不同地區之中國聯通易賺炫鈴播放由百傳讀客設計的自宣廣告合共1,200萬次，吸引終端客戶。

在面對宏觀經濟環境不景氣的環境下，本集團也面臨了一些業務影響因素，包括與《瀋陽晚報》訂立的廣告分銷協議因訂約各方合約糾紛而終止、與《大連日報》訂立的獨家房地產廣告協議屆滿等。而此前岳陽市中級人民法院已針對暫時凍結本集團的現金存款，根據最新消息顯示法院已撤銷執行裁定書。本集團將等待該法院的進一步指示，並相信該訴訟將不會導

Chairman's Statement

主席報告書

judgment has been rescinded, and the Group believes that while awaiting further instruction from the court, it is not probable that this litigation would result in any material outflow of economic benefits from the Group. The Group will continue to promote its internal management as well as its communication and negotiations with cooperation partners in order to improve its operating environment.

RESUMING STABLE GROWTH AS TOP PRIORITY

Looking forward, in spite of the uncertain external economic environment, the Group remains cautiously optimistic about the development of the Chinese economy as well as the sustainable growth in advertising demand. Resuming stable growth will be the Group's top priority for 2013, and the Group will proceed with its plans to fortify its position in the multi-media advertising market, strengthen its cooperation with the existing media and clients across the country, and steadily give weight to its new media business. In particular, additional investment will be poured into the development and promotion of "cloud reporting and editing" technologies in order to integrate the online media and traditional newspaper businesses. As all of its advertising channels are ripening, the Group is confident of seizing the moment to resume stable growth and create long-term value for its shareholders and business partners in the future.

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, clients and business partners for their trust and unceasing support.

Chen Zhi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 March 2013

致本集團的重大經濟利益流出。本集團將會持續加強對公司內部的管理、加強與合作夥伴的溝通及協商，努力創造較為良好的營商環境。

恢復穩定增長是首任

展望未來，面對較為不明朗的外圍經濟環境，本集團對中國國內的經濟發展表示審慎樂觀，但廣告需求仍會保持持續發展。二零一三年，恢復穩定增長將是我們的主要任務，我們將會繼續加強跨媒體廣告公司的市場地位，深挖各地現有合作媒體、客戶的價值，逐步提升新媒體業務類別，特別會加大網絡新媒體整合傳統報紙媒體延伸出的雲採編技術的研發和推廣投入。隨着本集團的廣告業務渠道更趨成熟，本集團有信心在未來把握更佳的先機，恢復穩定增長，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。

主席、首席執行官兼執行董事

陳志

香港，二零一三年三月二十六日

INDUSTRY REVIEW

Looking back at 2012, the Group faced enormous challenges from both the general business environment and within the industry. In respect of the general business environment, the global economy continued to struggle through the impacts of the European debt crisis, the US fiscal cliff as well as the arrested growth of the Chinese economy, and did not stabilize until the end of the year. On the industry front, conventional media such as newspapers and magazines consistently faced attacks from new media. The three pillar industries which take up 60.0% of newspaper advertising spending – the commercial and services industry, real estate/construction industry and transportation industry – have all cut down their spending to different extents. The drop in macroeconomic indicators and the resulting impacts suffered by various industries also threatened the advertising market. According to the *Report on Newspaper and Magazine Advertising Spending in China*, published on the website of Meihua Information, which is a renowned marketing information provider in China, the newspaper and magazine advertising market in China as a whole contracted by 12.6% in 2012, marking the first year of contraction of this market in the past decade. Newspaper advertising spending posted a year-on-year decrease of 19.2%, while the magazine advertising sector worked tough to maintain a 7.9% in spending growth. Also, advertising resources were shrinking in spite of a clear trend of diversifying advertising spending among newspapers and magazines across China. Advertising space in newspapers and magazines dropped by 17.2% and 5.7%, respectively.

Despite the challenges mentioned above, statistics showed that the global economy has been picking up. In light of the fresh round of monetary quantitative easing policies being implemented, it is expected that the global economy will be able to bounce back. With the current favorable policy support offered by the State to the advertising industry which is expected to benefit the media and advertising sectors in China in the long run, the Company and its subsidiaries (“ShiFang Holding” or the “Group”) will seek development opportunity in this changing market environment. In view of the booming development of new media, the Group will also adhere to its development strategies for expanding its new media operation by actively exploring the business of cross-platform mobile internet services through acquisitions.

行業回顧

回顧二零一二年度，本集團面對來自經營大環境和行業兩方面的嚴峻挑戰。從經營大環境來說，全球經濟市場受歐債危機及美國財政懸崖的問題困擾而持續不振，中國宏觀經濟增速亦放緩，至年底方有所回穩。從行業方面來說，傳統的報刊媒體繼續受到新媒體的衝擊，佔報紙廣告刊例花費六成的三大支柱行業，包括商業及服務性行業、房地產／建築工程和交通行業均繼續出現不同程度的同比縮減。宏觀經濟指數的下滑及行業的影響亦為廣告市場帶來挑戰，根據中國市場營銷行業知名的信息中心「梅花網」發佈的《中國報刊廣告投放年度報告》顯示，二零一二年中國報刊廣告市場整體跌幅為12.6%，縱觀近10年中國報刊廣告市場的統計數據，這是首次出現年度負增長。其中，報紙媒體廣告投放同比跌幅19.2%，雜誌媒體廣告投放勉力維持了7.9%的增長。廣告資源量方面，中國報刊廣告雖然在廣告花費上表現出明顯的分化趨勢，但廣告資源量都在減少，報紙媒體、雜誌媒體的廣告面積降幅分別為17.2%和5.7%。

雖然面對挑戰，但數據顯示全球經濟已經開始企穩回升。隨着新一輪貨幣寬鬆政策的出台，預期全球的經濟有望觸底反彈。現時國家給予廣告行業政策優惠支持，預期將可持續帶動中國媒體和廣告業的發展，使得本公司及其附屬公司（「十方控股」或「本集團」）仍能在多變的市場環境中尋求發展的機會。同時，有見於新媒體的蓬勃發展態勢，本集團亦堅持新媒體的發展戰略，全力拓展相關業務，並通過積極收購手段，尋求進入跨平台的移動互聯服務等。

Management Discussion and Analysis

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BUSINESS REVIEW

The Group is an integrated printed media service provider with one of the major cross-media advertising platforms in China. It has been dedicated to offering one-stop solutions to advertisers and creating value for its customers through four major businesses, including (i) newspaper advertising; (ii) online services; (iii) marketing, distribution management, consulting and printing services; and (iv) television and radio advertising.

For the year ended 31 December 2012 (the "Year"), the Group recorded revenue of approximately RMB377.2 million, representing a decrease of 28.7% as compared with 2011, due to the decrease in revenue generated from newspaper advertising and online services. Gross profit dropped by 58.0% as compared with last year to approximately RMB111.9 million, representing a gross profit margin of 29.7% (2011: 50.3%). Although the gross profit margin of the marketing, distribution management, consulting and printing services rose slightly, such increase was offset by the decrease in gross profit margin of the newspaper advertising and online services, causing the overall gross profit margin to drop.

During the Year, the Group's net loss after taxation was approximately RMB130.4 million (2011: net profit after taxation of RMB59.0 million). The loss was mainly attributable to the decline in advertising orders from real estate developers and other related sectors caused by the continual implementation of austerity measures on the real estate industry by the Chinese government, the termination of the advertising distribution agreement with *Shenyang Evening News* in July 2011 due to a contract dispute, the expiration of the exclusive real estate advertising agreement with *Dalian Daily*, and uncertainties about the recoverability of certain receivables that resulted in provisions for bad debts. The Group's operation as a whole was also adversely affected by difficult economic environments both at home and abroad. Nonetheless, the Group made the effort during the Year to sustain the operation of its newspaper media, seize the opportunity to develop its new media operation, and actively seek new cooperation partners.

業務回顧

本集團為中國主要跨媒體廣告平台的綜合性印刷媒體服務供貨商之一，一直致力為廣告客戶提供一站式解決方案，並透過四大業務板塊為客戶創造價值，包括(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。

受報紙廣告、網絡服務收益減少所影響，本集團於截至二零一二年十二月三十一日止年度（「本年度」）實現收入約為人民幣377.2百萬元，與二零一一年相比下降28.7%；毛利同比下降58.0%至約人民幣111.9百萬元，毛利率為29.7%（二零一一年：50.3%），儘管營銷、分銷管理、諮詢及印刷服務毛利率輕微上升，整體毛利率受報紙廣告及網絡服務毛利率下降影響而受壓。

本年度內，本集團稅後淨虧損約為人民幣130.4百萬元（二零一一年錄得稅後淨利潤為人民幣59.0百萬元），主要是由於房地產開發商及其他相關行業廣告的訂單受中國政府對房地產行業採取持續調控措施所影響而減少、本集團與瀋陽晚報訂立的廣告分銷協議因訂約各方合約糾紛而於二零一一年七月終止、與大連日報訂立的獨家房地產廣告協議屆滿、持續不確定能否收回若干應收款項，以致須持續為壞賬作出撥備所致。此外，國內外經濟環境複雜嚴峻，亦給本集團總體經營帶來了負面影響。儘管如此，本集團在年內致力保持報紙媒體的平穩經營，並抓緊機遇發展新媒體業務，及積極擴寬新的合作夥伴。

Customer base

With the help of its long-established and close cooperation partners, the Group maintained a stable and broad customer base of advertisers from various business sectors such as consumer products, real estate, 3C (computer, communication and consumer products), telecommunications, home appliance retail, automotive, home construction materials, healthcare and medical, education, and classified advertisements. Meanwhile, the Group carried on its effort to explore new customers in order to further expand its customer base. In addition to newspaper advertising, which covers a wider readership, the Group also actively sought to assist its clients in enhancing their marketing in a comprehensive manner with emerging media channels such as the Internet and mobile network.

Newspaper advertising

Suffering from the weak global economy and decelerated economic growth in China, the Chinese newspaper and magazine advertising market contracted in 2012. The newspaper advertising sector was particularly impacted, resulting in declines in both advertising orders and resources. At the same time, the Group's revenue from advertisements for the real estate, commercial and services sectors recorded a decline as the Chinese government continued to implement austerity measures on the real estate industry. Coupled with the termination of the advertising distribution agreement with *Shenyang Evening News* in 2011 due to a contract dispute, the expiration of the exclusive real estate advertising agreement with *Dalian Daily* and the limited revenue from newly established newspapers still in the investment stage, such factors have reduced the Group's revenue and gross profit from newspaper advertising by 33.8% and 69.3% as compared with last year to RMB256.4 million and RMB51.0 million, respectively. In particular, newspaper advertising turnover generated from comprehensive collaborative media partners amounted to RMB217.4 million, accounting for 84.8% of the total revenue of the newspaper advertising business, while newspaper advertising revenue from partial collaborative contracts amounted to RMB39.0 million, or 15.2% of the total revenue of the newspaper advertising business.

客戶基礎

憑借長期及緊密的合作關係，本集團繼續維持穩定及廣泛的廣告商客戶基礎，涵蓋消費品、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、教育及分類廣告等多個業務範疇。與此同時，本集團一如既往積極開拓新客源，進一步擴大客戶基礎，除了覆蓋率較廣的報紙廣告外，本集團亦積極發展互聯網和手機等新興傳播管道，以全方位協助客戶擴大市場知名度為目標。

報紙廣告

受全球經濟疲弱及中國經濟增速回落所拖累，中國報刊廣告市場於二零一二年錄得負增長，報紙媒體廣告投放及廣告資源量更雙雙下跌。與此同時，中國政府對房地產行業實施持續調控措施，致使本集團在房地產行業廣告、商業廣告以及服務性行業廣告上的收入下降；加上本集團因合約糾紛而於二零一一年終止了與瀋陽晚報訂立的廣告分銷協議，與大連日報訂立的獨家房地產廣告協議已告屆滿，而新拓展的報紙仍處於投資期以致收入有限，多項因素導致本集團來自報紙廣告的收入錄得人民幣256.4百萬元，同比下降33.8%；毛利為人民幣51.0百萬元，較去年同期減少69.3%。其中，本集團全面合作媒體夥伴的報紙廣告營業額為人民幣217.4百萬元，佔報紙廣告總收入的84.8%，來自部分合作合約的報紙廣告收入為人民幣39.0百萬元，佔報紙廣告總收入的15.2%。

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During the Year, the newspaper advertising business remained as one of the core businesses of the Group and accounted for approximately 68.0% of the Group's revenue. However, the continual implementation of austerity measures on the real estate industry by the Chinese government has resulted in the dwindling financial resources in the real estate and other related industries. Accordingly, these advertisers reduced their marketing budgets and diverted part of them from newspapers to other media such as magazines, radio and the internet, which in turn exerted great pressure on the Group's newspaper advertising business. In addition, affected by the sudden adversarial Sino-Japanese relation caused by the Diaoyu Islands dispute, Sino-Japanese trade was severely hit, and advertising orders from Japanese automotive manufacturers dropped to a low in the second half of 2012, which also had a negative impact on the Group's newspaper advertising business.

於本年度，報紙廣告業務仍為本集團的重點業務之一，佔本集團實現收入約68.0%。在中國政府持續實施房地產調控政策下，地產及其他行業銀根緊縮，減少投放於報紙廣告的市場推廣費用，轉移投放廣告到雜誌、電台、網絡等媒體，使本集團的報紙廣告業務受壓。此外，二零一二年下半年，受釣魚島事件的影響，中日關係驟然緊張，中日商業貿易活動短時期內受到嚴重波及，日系汽車的報紙廣告投放量隨即急劇減少，對本集團的報紙廣告業務構成負面影響。



As of 31 December 2012, the Group had 9 media partners in over 7 second- and third-tier cities across six provinces in China, covering a very large population. Its cooperation partners included *Southeast Express*, *Lifestyle Express*, *Modern Life Daily*, *Southeast Business*, *Central Guizhou Morning Post*, *Xiamen Daily* and *Xiamen Evening News*. During the Year, the Group has started to cooperate with two additional media partners, including one newspaper, *City Lifestyle Weekly*, and a magazine, *TV Friends*. The new partnerships further complemented the extended foothold of ShiFang Holding in China. These newspapers or magazines have granted the Group comprehensive or partial cooperation rights to sell their advertising space so that the Group can integrate advertising with marketing in order to provide customers with greater convenience and all-round promotion services.

Capitalizing on the general trend of structural reform of the non-political publication sector in China, the Group has cooperated with Liaoning Baixin Media Company Limited since December 2011 to engage in the operation of *City Lifestyle Weekly* (formerly known as *Liaoning Broadcasting & TV Weekly*) and *TV Friends* through ShiFang XinDa Culture Media Company Limited, a non-wholly owned subsidiary of the Group. Such move has further consolidated the Group's market position as an integrated printed media service provider.

On the other hand, Shenyang Media Corporation unilaterally terminated its cooperation contract with the Group on 26 July 2011. This led to the Group's loss of revenue from *Shenyang Evening News* for the Year and had an impact on the Group's business. Legal proceedings between the Group and Shenyang Media Corporation are currently in progress. On 31 December 2012, the Group received a civil judgment issued by the Higher People's Court of Liaoning Province, in which the Higher People's Court of Liaoning Province concluded that the judgment of first instance was unclear in terms of fact, its evidence was not sufficient and its procedures were illegal. According to clauses 1 (3) and (4) of Article 153 of the *Civil Procedure Law of the People's Republic of China*, it was ruled that: (1) the Civil

截至二零一二年十二月三十一日，本集團共有九家合作媒體，遍佈中國六個省份超過七個二、三線城市，覆蓋大量人群。本集團的合作夥伴包括《東南快報》、《生活新報》、《當代生活報》、《東南商報》、《黔中早報》、《廈門日報》及《廈門晚報》。本年度內，本集團新增了兩家合作媒體，為一家報章《城市生活信報》，以及一份雜誌《電視朋友》，以補充十方控股在中國的版圖覆蓋。通過這些報紙或雜誌向本集團提供出售廣告位的全面合作或部分合作的權利的方式，本集團將廣告服務與營銷服務結合，為客戶提供更加便利、全面的推廣服務。

本集團抓緊中國非時政類報刊轉企改制的大方向所帶來的機遇，與遼寧百信傳媒有限公司自二零一一年十二月起開始合作，透過非全資附屬公司十方信達文化傳媒有限公司經營的《城市生活信報》（前稱《遼寧廣播電視報》）和《電視朋友》，進一步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，因瀋陽傳媒公司於二零一一年七月二十六日單方面解除與本集團的合作合約，導致本集團於本年度損失了來自《瀋陽晚報》的收入，對集團的業務帶來了一定程度的影響。本集團就此事與瀋陽傳媒公司展開的法律程序正在進行中，於二零一二年十二月三十一日收到遼寧省高級人民法院民事裁定書，據此，遼寧省高級人民法院認為：原審判決認定事實不清，證據不足，程序違法。依照《中華人民共和國民事訴訟法》第一百五十三條第一款第（三）、（四）項之規定，裁定：一、撤銷瀋陽市中級人民法院(2011)沈中民三初字第74號民事判決；二、發回瀋陽市中級人員法院重審。目前

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Judgment of Shenyang Intermediate People's Court ((2011) Shen Zhong Min San Chu Zi No. 74) shall be dismissed; and that (2) the case shall be remanded to Shenyang Intermediate People's Court for retrial. The Group is currently waiting for further instructions from the courts and will notify the shareholders of any progress in the litigations in a timely manner. As advised by the PRC legal counsel, the management believes that it is not probable that this litigation would result in a material outflow of economic benefits from the Group.

Online services

During the Year, the Group's online services and digital media businesses faced a challenging operating environment. The uncertainty factors in the domestic and global economic environments made customers reduce their budgets for non-portal websites while industry competition intensified. The Group also made adjustments and revisions to its website business model, transforming it from a sharing platform for text files to a provider of copyright publications and licensed works. For instance, it reformed its profit-sharing system with licensors through reading subscriptions. However, the Group reduced advertising space on free reading pages so as to enhance the reading experience of its subscribers. On the other hand, the number of free reading members has dropped, causing the Group to lose part of its market share. As a result of these unfavorable factors, revenue from this business amounted to RMB11.1 million, representing a year-on-year decrease of 79.2%, and accounting for 2.9% of the Group's total revenue. Gross profit was RMB7.4 million, representing a decrease of 84.2% year-on-year.

本集團正等待該等法院的進一步指示，並將會及時向股東公告該等訴訟的進展情況。如中國法律顧問所告知，管理層相信，此訴訟不大可能導致本集團的經濟利益重大流出。

網絡服務

本年度內，本集團在網絡服務和數碼媒體業務的經營環境備受挑戰，包括客戶因國內外經濟不明朗而減少對非門戶網站的開支預算、行業競爭加劇、本集團網站業務模式從文檔共享平台調整改版為全面採購正版圖書資源和正版授權作品，以及全面採用收費閱讀的方式與授權者分成的模式。然而，本集團為保證付費用戶的閱讀體驗，減少了相關免費閱讀頁面的廣告版面，以及免費閱讀會員人數有所減少，使本集團無法保持原有的市場份額。受多項負面因素影響，該業務收入與去年同期相比下降79.2%至人民幣11.1百萬元，佔集團總收入的2.9%；毛利為人民幣7.4百萬元，較去年同期減少84.2%。



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For its online services, the Group has established an Internet media platform with Duk, DNKB, Life News, www.qbnews.cn and Fangke Web and developed unified exclusive partnerships with its newspaper partners in order to publish newspapers, magazines, novels and advertisements electronically. Being one of the largest digital media publishing platforms in China, Duk is the first private enterprise in Fujian Province engaging in internet new media which has obtained the Internet Publication Permit from General Administration of Press and Publication of the PRC. It has online publishing right agreements with over 300 publishers, 860 magazine publishing houses and 5,000 magazines as well as digital publishing cooperation with 17 municipal daily, evening and commercial newspapers. Its library of online novels contains over 130,000 volumes and its accumulated catalogue of electronic periodicals, electronic magazines and digital newspapers has reached over 260 million volumes or pieces. Leveraging this platform, the Group optimized its digital publications and analyzes Duk's database in order to provide quality services and information to users.

During the Year, the Group went on to launch new versions of Duk and promoted three business models. The first model offers professional copyright agency services to writers (C2B). Building on its extensive readership base which forms a platform for copyright, it has a clear mission to fuse network and traditional literature by aggressively expanding its library dominated by original novels. It also acts as the best and most unrestricted writing platform for original works (B2C). Moreover, the Group vigorously expanded the business of copyrights trading (B2B) by cooperating with third party digital platforms and reading bases and setting up marketing channels for institutional users. With effective marketing strategies, the Group endeavors to boost its writers' fame and maximize revenues from their works, thereby achieving a win-win situation. In terms of the copyright agency business (C2B), Duk actively integrates marketing and the society to promote its contracted writers and their works through TV variety shows, newspapers, weibo, discussion forum and portal websites, and has commenced cooperation with the China Telecom reading portal.

本集團的網絡服務，主要以讀客網、東快網、生活新報網、貴網、房客網為依托，建立了一個互聯網媒體平台，透過以電子方式發行報紙、雜誌、小說及刊載廣告，與報紙夥伴建立相同的獨家夥伴關係。作為中國最大的數碼媒體發行平台之一，讀客網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網絡新媒體民營企業。讀客網擁有超過300家出版社、860家雜誌商與5,000多種雜誌的網絡版權發行合作，並與17家都市日報、晚報及商報類數碼報紙建立了發行合作關係。其網上網絡小說發行總量超過13萬本，累計總發行電子期刊、電子雜誌和數碼報紙達2億6千多萬冊次。本集團透過此平台，完善數碼出版及分析讀客網數據庫，為瀏覽者提供優質的服務及信息。

本年度內，本集團積極為讀客網推行改版，發展三種商業模式。其中包括建立以版權為紐帶、以客戶為載體的清晰商業模式，致力拓展以原創小說為主的閱讀領域，將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，本集團通過與第三方數字平台及閱讀基地的合作，建立機構用戶的營銷渠道，並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，積極拓展版權貿易業務(B2B)。在版權經紀服務(C2B)模式中，讀客網積極探索社會化整合事件營銷的模式，通過電視綜藝節目、報紙、微博、論壇、門戶網站全面推廣簽約作者及作品，並與中國電信閱讀基地開始正式合作。

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管理層討論與分析

The Group also operates Fangke Web (www.fangke.cc) through Fujian Fangke Network Technology Corporation Limited, its non-wholly owned subsidiary. Fangke Web is an advocate and forerunner of a new and effective business marketing model for the real estate industry. It has always focused on resource integration, brand-building and research and development of electronic business platforms for the real estate sector. It offers comprehensive industry information, integrated marketing services and business applications to players in the real estate sector as well as homebuyers. After years of operation, Fangke Web has established a professional team with strong capability in product research and development, extensive experience, abundant resources and marketing expertise devoted to the development of new business software and unique service platforms with proprietary technologies for the real estate industry. Major products include portals to real estate information, online property sales systems, online stores and branch management software for property agency companies, and project management software for property sales.

According to the data on the Chinese Internet advertising market in 2012 released by iResearch, the aggregate value of the Chinese Internet advertising market for the Year amounted to RMB75.3 billion, representing growth of 46.8% as compared with last year. The market has entered a stage of stable growth, reflecting the market acceptance of new media. Internet advertisements were mainly placed on portals, search engines, electronic business platforms and video streaming websites. During the Year, with sustained growth comparable to the market as a whole, search engines won a slightly larger market share while electronic business platforms and independent video streaming websites went on to capture additional market shares with their relatively higher rates of growth. The increasing popularity of mobile devices and tablet computers also proves the huge potential for the growth of new mobile media advertising.

本集團亦透過非全資附屬公司福建房客網絡科技股份有限公司運營房客網(www.fangke.cc)。房客網是房地產新價值商務傳媒的倡導者和踐行者，一直專注於房地產行業資源整合、品牌價值傳播和房地產電子商務平台研發，為房地產業界及購房者提供全方位的行業資訊、整合推廣及商務應用。經過多年的積累，房客網已建立了一支產品研發實力雄厚，行業資源豐富、營銷策劃實力領先的專業團隊，潛心鑽研具有自主核心技術的房地產電子商務軟件，和獨具行業特色的服務平台。主要產品包括房地產資訊門戶、網上售樓系統、中介網店系統、「門店通」中介企業軟件及樓盤銷售管理軟件。

根據艾瑞發佈的二零一二年度中國互聯網廣告市場核心數據，本年度中國網絡廣告市場規模高達人民幣753億元，較去年增長46.8%，進入相對平穩的增長期，反映市場對新媒體的認可。互聯網廣告主要集中投放在門戶網站、搜索引擎、電商平台以及視頻網站，去年，搜索引擎市場增長的水平與行業水平持平，市場份額微漲，而電商平台和獨立視頻網站依然保持着較快增長，市場份額進一步提升。近年來移動裝置及平板計算機的普及亦證明，該等新移動媒體的廣告服務增長潛力十分龐大。

Management Discussion and Analysis

管理層討論與分析

Given the factors mentioned above, the Group established Yunnan HanDing Technology Co., Ltd. (“Yunnan HanDing”) in 2011 in order to engage in new online media business. It also operates various local online platforms such as Life News (www.shxb.net) and Wan Wei Life (iwanwei.com) in Kunming in conjunction with Lifestyle Express, a major media group in Kunming, Yunnan. During the Year, Yunnan HanDing launched mobile applications for iOS and Android platforms such as Wan Wei Yunnan, a mobile travel information application, and Zhui Ai Magazine, a mobile reading application.

In order to grasp the opportunities arising from the booming development of advertising on new media such as mobile devices and the Internet, the Group completed the acquisition of 34.0% of issued shares in Skybroad International Limited (“Skybroad”), a company which developed the voice over Internet protocol (VoIP) based communication software known as Cloud Call (“Cloud Call/ Cloud Call App”) that operates on mobile and personal computer platforms, in August 2012. The main function of the system is to allow users, wherever they are, to make calls to China and Hong Kong landlines or mobile telephone numbers via 3G, Wi-Fi or Internet networks without paying roaming or long distance telephone charges. In order to create market awareness and momentum of market penetration, Cloud Call was available for download free of charge at the Apple app store and the Android market during its trial period. Advertising income is expected to be generated from putting advertisements in ring-tones and on screen displays when users use the application to make telephone calls. Skybroad organized a soft launch of Cloud Call App in April 2012 and provided a free trial period to advertisers. During the trial period, the application received positive feedback from users. At the time being, Skybroad has fully launched the Cloud Call business. As at 31 December 2012, Cloud Call had over 1 million active users and contributed some revenue to the Group. The increase in its members was satisfactory. This business is developing smoothly and has laid a sound foundation for the Group to capture the promising potential of this market in the future.

有見及此，本集團於二零一一年成立了雲南漢鼎科技有限公司（「雲南漢鼎」），以從事網絡新媒體業務，並與雲南昆明主流媒體《生活新報》合作，在昆明運營「生活新報網」（www.shxb.net）及「玩味生活」（iwanwei.com）等本地網絡平台。去年，雲南漢鼎推出了多個在iOS及Android平台上運行的手機應用程序，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》。

為進一步把握日益蓬勃的移動裝置及互聯網新媒體廣告市場商機，本集團於二零一二年八月完成收購基於互聯網語音系統的通訊軟件雲呼（「雲呼／雲呼應用程序」）之Skybroad International Limited（「Skybroad」）的34.0%已發行股份。該系統可運行於移動及個人計算機平台上，主要功能是讓用戶不論身處何地，均可透過3G、無線網絡或互聯網撥打中國及香港的固網或移動電話號碼，而毋須支付任何漫遊及長途電話費。為提升雲呼的市場知名度，並加快其市場滲透，該軟件在試用期內可供蘋果及安卓兩大手機系統的應用程序商店用戶免費下載。本集團預期，用戶在使用該雲呼應用程序進行電話呼叫時，可通過鈴聲及屏幕顯示提供廣告服務，從而為本集團帶來廣告收入。自二零一二年四月起，Skybroad推出雲呼應用程序體驗活動，向廣告客戶提供免費試用期，試用期間用戶回饋良好。目前，Skybroad現已開始全面推出雲呼業務。截至二零一二年十二月三十一日，雲呼已經擁有超過100萬人的活躍用戶群體，並已為本集團帶來部分收益。其會員人數的成長符合預期，並發展平穩，未來將成為本集團用以把握該領域優厚市場潛力的有力支持。

Management Discussion and Analysis

管理層討論與分析

Marketing, distribution management, consulting and printing services

Riding on the gigantic growth in the Group's marketing revenues and the growth in its distribution management, consulting and printing services income, revenue from the Group's marketing, distribution management, consulting and printing services for the Year surged by 22.1% to RMB107.6 million, accounting for 28.5% of the Group's total revenue.

Under the exclusive cooperation contracts with some of its newspaper partners, the Group continued to sell their advertising space and provide integrated services to its customers. The Group also offers certain ancillary services, including printing, distribution management, consulting and marketing advice. Same as always, the Group is committed to strengthening strategic and close cooperative relationships with its newspaper partners. By helping publications maintain their excellent printing quality, the revenue generated from this segment has increased steadily. For the distribution and management business, the Group carried on its comprehensive services to *Southeast Express and Lifestyle Express*. In respect of printing services, the Group's three factories located in Fuzhou, Kunming and Guizhou operated smoothly as always and printed *Southeast Express, Lifestyle Express and Central Guizhou Morning Post*, respectively. In addition to the printing of *Southeast Express*, the Fuzhou factory will also continue to print *China Securities Journal and Shanghai Securities News*. With stringent management of publications' printing quality, the Group is able to ensure high quality in the printing of its advertisements, making them more attractive to readers, as well as to strengthen the strategic and close cooperative relationships with its media partners.

Leveraging its own resources and the established technologies developed by Fangke Web, the Group also provided professional and comprehensive property marketing planning, solutions and support, thereby consolidating its cooperation with its clients. During the Year, the Group realized revenue of RMB56.2 million from planning fees and commission income of planning and marketing services provided to real estate projects.

營銷、分銷管理、諮詢及印刷服務

受本集團的市場推廣收入大幅提升，以及分銷管理、諮詢、印刷服務收入增長所帶動，本集團於本年度內的營銷、分銷管理、諮詢及印刷服務的收入增加22.1%至人民幣107.6百萬元，佔集團總收入的28.5%。

本集團透過與部份報紙夥伴訂立的獨家合作關係，繼續向客戶推廣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、諮詢及市場推廣建議。憑借本集團繼續強化與其報紙夥伴的良好合作關係，維持刊物高水平的質量，帶動此版塊收入穩健增長。在發行及管理服務方面，本集團繼續為《東南快報》及《生活新報》提供全面的服務。至於印刷服務方面，本集團在福州、昆明及貴州的3座廠房繼續保持正常運作，印刷《東南快報》、《生活新報》及《黔中早報》，其中，福州廠房將繼續印刷《東南快報》、《中國證券報》和《上海證券報》。憑借本集團對刊物的印製品持續進行嚴格的品質控制，確保了所刊登廣告的質量，保持了對讀者的吸引力，並有助鞏固本集團和媒體夥伴維持緊密的策略合作關係。

此外，本集團致力利用自身的資源優勢與房客網的成熟技術，在房產營銷策劃中，以專業水準的全案營銷的方案和能力，進一步深化與客戶的合作。本年度，本集團通過為房地產項目提供策劃及營銷服務的策劃費和佣金收入為人民幣56.2百萬元。

ShiFang Healthcare Technology Corporation Limited, a subsidiary of the Group, is committed to the provision of all-round medical and healthcare information and the development of the most unique medical and healthcare information platform across the country by setting up an integrated information service platform comprising websites, call center platforms and appointment and registration systems. On the other hand, through strategic cooperation with experts from public hospitals and serving the end market with various products such as healthcare information advisory, consultancy services and newspaper health editions, the Group has developed interaction between consumers, including experts, readers and members. During the Year, the Group strengthened the promotion of this business by continuing to collaborate with 10 public hospitals in Fuzhou to disseminate comprehensive medical and healthcare information.

Furthermore, Beijing BaiChuanDuKe Science and Technology Co., Ltd., a wholly-owned subsidiary of the Group, has entered into an exclusive license agreement with Beijing Wangxin Gaoke Information Technology Co., Ltd. on 28 June 2012 in respect of the cooperation on Chinaunicom Ezhuan RingTone in China for a term of 10 years. This cooperation project aims mainly at promoting the brand image and market recognition of Duk and further expanding and enlarging the coverage of its advertising services.

Television and radio advertising

In 2012, revenue from the Group's television and radio advertising amounted to RMB2.1 million, representing a significant year-on-year increase of 382.2%, accounting for 0.6% of the Group's total revenue.

本集團透過附屬公司十方健康科技有限公司，設立互聯網站、呼叫中心平台、預約掛號系統等綜合信息服務平台等，提供全方位的醫療及健康信息，打造全國最具特色的醫療及健康信息平台。另一方面，本集團繼續與公立醫院的專家建立戰略合作，利用健康諮詢、顧問、報紙健康專版等方式服務終端市場，形成專家與讀者、會員等消費者之間的互動形式。本年度內，本集團繼續和福州十家公立醫院合作，提供全方位的醫療及健康資訊，並進一步加強推廣。

另外，本集團的全資附屬公司北京百傳讀客科技有限公司於二零一二年六月二十八日，與北京網信高科信息技術有限公司訂立中國聯通易賺炫鈴在中國的獨家經營權合作協議，此次為期十年的合作計劃主要是加強讀客網之品牌形象和市場知名度，進一步擴大及推廣廣告服務的覆蓋範圍。

電視及電台廣告

於二零一二年度，本集團在電視及電台廣告方面的收入為人民幣2.1百萬元，同比大幅增長382.2%，佔集團總收入的0.6%。

Management Discussion and Analysis

管理層討論與分析

The Group's television advertising business mainly operates as an extended auxiliary service to customers of the newspaper media business. With its amicable cooperation with Nanning Television Station in Guangxi Province, the Group proceeded to broadcast advertisements in respect of home-improvement and building materials industries in advertising time slots on four channels of Nanning Television Station. The Group also actively explores cooperation opportunities with other television stations in order to expand its television advertising business. The Group will strive to form full or partial collaborative partnerships with television stations which are similar to its relationships with newspaper media so as to further expand the sources of income of the Group's television advertising business and to eventually achieve the goal of establishing itself as a major television media operator and a media resource provider.

In terms of radio advertising, during the Year, the Group signed a five-year agreement regarding a collaborative 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 licensed radio stations. Through the project, the Group will enjoy access to the rich historical database and copyright resources of China National Radio, which it will apply to multimedia development. In addition, the Group will be able to sell its custom-made radio programs to various radio stations at the provincial, municipal and county levels through this project, which can also be applied to the Group's network business. However, YangGuang DuShi failed to provide the Group with access to the corresponding program library in a timely manner, forcing the relevant business development fail to be carried out in a smooth manner. In this respect, the Group has engaged a PRC legal counsel to apply to the China Economic and Trade Arbitration Commission for arbitration regarding the contract.

電視廣告業務是本集團提供予報紙媒體客戶的延伸服務和配套。憑借本集團與廣西南寧電視台保持的良好合作關係，繼續在四個頻道的廣告時間發佈家裝、建材行業廣告。本集團亦進一步拓展電視廣告方面的業務，積極尋求與其他更多的電視台建立合作關係。本集團將積極爭取類似於本集團與報紙媒體之間的全面或部份合作性的夥伴關係，進一步開拓電視廣告業務的收入來源，目標是打造成為一間主要的電視媒體運營商和媒介資源銷售商，並開拓更多電視廣告業務收入來源。

就電台廣告業務方面，本集團於回顧年內與中央人民廣播電台全資附屬公司央廣都市（北京）文化傳媒有限公司（「央廣都市」）簽訂一項為期5年，有關授權發展的合作項目協議。本集團計劃藉此使用中央人民廣播電台豐富的歷史數據庫及版權資源，運用於多媒體發展，並向各省、市和縣級地方電台出售為其量身定制的電台節目，並把這些電台節目用於本集團的網絡業務當中。然而，由於本集團無法及時從央廣都市獲得相應節目庫的使用權，使業務開展無法順利進行。為此，本集團已委託中國法律顧問向中國經濟貿易仲裁委員會就該合同提出仲裁。

FINANCIAL REVIEW

Revenue

Total revenue decreased significantly by 28.7% from RMB529.0 million for the year ended 31 December 2011 to RMB377.2 million for the year ended 31 December 2012, primarily because the increase in revenue from marketing, distribution management, consulting and printing services from RMB88.1 million for the year ended 31 December 2011 to RMB107.6 million for the year ended 31 December 2012 was offset by the decrease in the revenue from newspaper advertising from RMB387.1 million for the year ended 31 December 2011 to RMB256.4 million for the year ended 31 December 2012 and the decrease in revenue from online services from RMB53.4 million for the year ended 31 December 2011 to RMB11.1 million for the year ended 31 December 2012.

The decrease in revenue from newspaper advertising from RMB387.1 million for the year ended 31 December 2011 to RMB256.4 million for the year ended 31 December 2012 was mainly because (a) the PRC government continued its adjustment measures on the real estate industry which results in the reduction of advertising orders from real estate developers and other related industries, consequently the annual business receipts of the Company decreased as compared to 2011; (b) the advertising distribution agreement entered into with *Shenyang Evening News* was terminated in July 2011 due to contractual disputes between the parties; and (c) the expiry of the exclusive real estate advertising agreement entered into with *Dalian Daily*.

財務回顧

收入

總收入由截至二零一一年十二月三十一日止年度的人民幣529.0百萬元大幅減少28.7%至截至二零一二年十二月三十一日止年度的人民幣377.2百萬元，主要因為營銷、分銷管理、諮詢及印刷服務的收入由截至二零一一年十二月三十一日止年度的人民幣88.1百萬元增至截至二零一二年十二月三十一日止年度的人民幣107.6百萬元，而該增幅被報紙廣告的收入由截至二零一一年十二月三十一日止年度的人民幣387.1百萬元減至截至二零一二年十二月三十一日止年度的人民幣256.4百萬元、網絡服務收入由截至二零一一年十二月三十一日止年度的人民幣53.4百萬元減至截至二零一二年十二月三十一日止年度的人民幣11.1百萬元所抵銷。

報紙廣告的收入由截至二零一一年十二月三十一日止年度的人民幣387.1百萬元減至截至二零一二年十二月三十一日止年度的人民幣256.4百萬元，主要是因為(a)中國政府持續施行房地產業的調節措施，導致房地產發展商及其他相關行業下達的廣告訂單減少，最終令本公司的年度業務收入較二零一一年有所減少；(b)與《瀋陽晚報》訂立的廣告分銷協議因訂約各方的合約糾紛而於二零一一年七月終止；及(c)與《大連日報》訂立的獨家房地產廣告協議屆滿所致。

Management Discussion and Analysis

管理層討論與分析

Gross profit and gross profit margin

Gross profit decreased by 58.0% from RMB266.3 million for the year ended 31 December 2011 to RMB111.9 million for the year ended 31 December 2012. Gross profit margin decreased from 50.3% for 2011 to 29.7% for 2012, which was primarily attributable to the unsatisfactory performance of newspaper advertising and online services.

Other income

Other income decreased by 5.0% from RMB10.0 million for the year ended 31 December 2011 to RMB9.5 million for the year ended 31 December 2012, primarily due to the combined effect of the increase in the sales of newsprint paper and the decrease in the income from government subsidies.

Other gain

Other gain amounted to RMB11.6 million was recorded for the partial disposal of interest in Yunnan Handing Investment during the year ended 31 December 2012.

Selling and marketing expenses

Selling and marketing expenses increased by 1.1% from RMB38.0 million for the year ended 31 December 2011 to RMB38.4 million for the year ended 31 December 2012, mainly because of the increase in marketing expenses, which was in line with the growth in marketing management income during the period.

General and administrative expenses

General and administrative expenses increased by 33.0% from RMB156.3 million for the year ended 31 December 2011 to RMB207.9 million for the year ended 31 December 2012, mainly because of the increase in staff costs of RMB12.8 million, the increase in amortisation of intangible assets of RMB4.9 million, and increase in the provision for impairment of trade receivables, prepayments, and deposits of RMB11.7 million.

毛利及毛利率

毛利由截至二零一一年十二月三十一日止年度的人民幣266.3百萬元減少58.0%至截至二零一二年十二月三十一日止年度的人民幣111.9百萬元。毛利率由二零一一年的50.3%減至二零一二年的29.7%，主要是受到報紙廣告及網絡服務的表現的不利影響而有所下降。

其他收入

其他收入由截至二零一一年十二月三十一日止年度的人民幣10.0百萬元減少5.0%至截至二零一二年十二月三十一日止年度的人民幣9.5百萬元，主要是由於新聞紙銷售增加及政府補貼收入減少的共同影響所致。

其他收益

截至二零一二年十二月三十一日止年度，出售雲南漢鼎投資部分權益錄得其他收益達人民幣11.6百萬元。

銷售及營銷開支

銷售及營銷開支由截至二零一一年十二月三十一日止年度的人民幣38.0百萬元增加1.1%至截至二零一二年十二月三十一日止年度的人民幣38.4百萬元，主要原因是期內營銷管理收入增加而支付的營銷開支增加所致。

一般及行政開支

一般及行政開支由截至二零一一年十二月三十一日止年度的人民幣156.3百萬元增加33.0%至截至二零一二年十二月三十一日止年度的人民幣207.9百萬元，主要因為員工成本增加人民幣12.8百萬元、無形資產攤銷增加人民幣4.9百萬元以及貿易應收款項、預付款項及按金減值撥備增加人民幣11.7百萬元所致。

(Loss)/profit before income tax

As a result of the foregoing factors, loss before income tax for the year ended 31 December 2012 was RMB114.1 million, representing a decrease of 238.3% as compared to profit before income tax of RMB82.5 million for the year ended 31 December 2011.

Income tax expenses

Income tax expenses decreased by 30.6% from RMB23.5 million for the year ended 31 December 2011 to RMB16.3 million for the year ended 31 December 2012 as a result of the decrease in taxable income for the year.

Loss for the year

The Group recorded a loss for the year of RMB130.4 million for the year ended 31 December 2012, mainly attributable to the significant decline in revenue during the year.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased from RMB6.0 million for the year ended 31 December 2011 to RMB7.6 million for the year ended 31 December 2012.

(Loss)/profit attributable to equity holders of the Company

As a result of the foregoing, profit attributable to equity holders of the Company decreased from RMB53.0 million for the year ended 31 December 2011 to a loss of RMB137.9 million for the year ended 31 December 2012.

除所得稅前(虧損)/溢利

由於上述因素，於截至二零一二年十二月三十一日止年度錄得年內除所得稅前虧損人民幣114.1百萬元，較截至二零一一年十二月三十一日止年度的除所得稅前溢利人民幣82.5百萬元減少238.3%。

所得稅開支

所得稅開支由截至二零一一年十二月三十一日止年度的人民幣23.5百萬元下跌30.6%至截至二零一二年十二月三十一日止年度的人民幣16.3百萬元，原因為年內應課稅收入減少所致。

年內虧損

於截至二零一二年十二月三十一日止年度，本集團錄得年內虧損人民幣130.4百萬元，主要由於年內收入大幅下跌所致。

非控股權益應佔溢利

非控股權益應佔溢利由截至二零一一年十二月三十一日止年度的人民幣6.0百萬元增至截至二零一二年十二月三十一日止年度的人民幣7.6百萬元。

本公司權益持有人應佔(虧損)/溢利

由於上述因素，本公司權益持有人應佔溢利由截至二零一一年十二月三十一日止年度的人民幣53.0百萬元下跌至截至二零一二年十二月三十一日止年度的虧損人民幣137.9百萬元。

Management Discussion and Analysis

管理層討論與分析

Liquidity and capital resources

The Group's management monitors current and expected liquidity requirements regularly to ensure the Group has sufficient working capital to satisfy its future obligations as and when they fall due. During the year ended 31 December 2012, the Group recorded a loss of RMB130.4 million and a net cash outflow of RMB160.9 million. The management closely monitors the Group's liquidity position and is implementing measures to improve the Group's cash flows. The management believes there is no significant liquidity risk as the Group has sufficient cash and cash equivalents and borrowings facilities to fund its operations.

流動資金及資本資源

本集團管理層定期監察現時及預期流動資金需要，確保本集團具備足夠營運資金應付未來到期責任。於截至二零一二年十二月三十一日止年度，本集團錄得虧損人民幣130.4百萬元及現金流出淨額人民幣160.9百萬元。管理層密切監察本集團的流動資金水平，並正實行多項措施改善本集團的現金流量。管理層相信，由於本集團具備充足現金及現金等值項目，並擁有借款融資作為營運用資金，故本集團並無面對重大流動資金風險。

Year ended 31 December

截至十二月三十一日止年度

2012

2011

二零一二年

二零一一年

RMB'000

RMB'000

人民幣千元

人民幣千元

Net cash (used in)/generated from operating activities	經營活動(動用)/產生的現金淨額	(61,355)	4,458
Net cash used in investing activities	投資活動動用的現金淨額	(78,572)	(382,927)
Net cash (used in)/generated from financing activities	融資活動(動用)/產生的現金淨額	(21,015)	46,845
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(160,942)	(331,624)
Cash and cash equivalents at the beginning of the year	年初的現金及現金等值項目	214,377	546,001
Cash and cash equivalents at the end of the year	年末的現金及現金等值項目	53,435	214,377

Cash flow used in operating activities

For the year ended 31 December 2012, net cash used in operating activities amounted to RMB61.4 million, primarily attributable to the loss for the year amounted to RMB130.4 million.

經營活動動用的現金流量

截至二零一二年十二月三十一日止年度，經營活動動用的現金淨額為人民幣61.4百萬元，主要由於年內虧損人民幣130.4百萬元所致。

Cash flow used in investing activities

For the year ended 31 December 2012, net cash used in investing activities amounted to RMB78.6 million, resulted primarily from payment for investment in an associates of RMB125.3 million, deposit paid to new cooperative media partners of RMB19.3 million, deposit paid for exclusive marketing and promotion projects of RMB17.5 million, net cash outflow from the disposal of a subsidiary of RMB5.2 million, payments for the additions of plant and equipment such as printing equipment and office fixtures of RMB6.6 million, offset by recovery of cash deposits as collateral of RMB17.5 million and cash receipt for the partial disposal of interest in an associate of RMB77.9 million.

Cash flow used in financing activities

For the year ended 31 December 2012, net cash used in financing activities amounted to RMB21.0 million, primarily attributable to repayments of loans advanced from a related party of RMB17.2 million and net repayments of bank borrowings and other loans of RMB5.0 million, offset by the capital contribution from non-controlling interest shareholders of RMB1.1 million.

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 RMB18.8 million and RMB6.6 million for the years ended 31 December 2011 and 31 December 2012, respectively.

投資活動動用的現金流量

截至二零一二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78.6百萬元，主要為支付於聯營公司的投資人民幣125.3百萬元、已付新合作媒體夥伴的按金人民幣19.3百萬元、就獨家營銷及宣傳項目支付的按金人民幣17.5百萬元、出售附屬公司的現金流出淨額人民幣5.2百萬元、支付添置印刷設備、辦公室裝修等廠房及設備款項人民幣6.6百萬元，而上述各項被收回作為押金的現金存款人民幣17.5百萬元及出售部分於聯營公司的權益的現金收款人民幣77.9百萬元所抵銷。

融資活動動用的現金流量

截至二零一二年十二月三十一日止年度，融資活動動用的現金淨額為人民幣21.0百萬元，主要為償還關連人士墊付的貸款人民幣17.2百萬元以及銀行借款及其他貸款的還款淨額人民幣5.0百萬元，已被非控股權益股東的注資人民幣1.1百萬元所抵銷。

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。截至二零一一年十二月三十一日及二零一二年十二月三十一日止年度的資本支出分別為人民幣18.8百萬元及人民幣6.6百萬元。

Management Discussion and Analysis

管理層討論與分析

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	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	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	25,519	27,940
31 – 60 days	31至60日	14,604	16,322
61 – 90 days	61至90日	9,090	13,305
91 – 365 days	91至365日	61,540	142,202
Over 1 year	一年以上	203,151	134,983
Total	總計	313,904	334,752
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	(107,426)	(75,083)
Total trade receivables – net	總貿易應收款項－淨額	206,478	259,669

Trade receivables decreased by 20.5% from RMB259.7 million as at 31 December 2011 to RMB206.5 million as at 31 December 2012. Such decrease was mainly attributable to the reduced income from newspaper advertising and online services businesses. Trade receivables turnover days extended from 177 days for the year ended 31 December 2011 to 226 days for the year ended 31 December 2012, primarily due to the continued implementation of austerity measures on the real estate industry by the PRC government that resulted in the reduction in spending on real estate advertising, which in turn led to tighter market liquidity and longer payment time from customers.

貿易應收款項由二零一一年十二月三十一日的人民幣259.7百萬元下跌20.5%至二零一二年十二月三十一日的人民幣206.5百萬元，主要由於報紙廣告及網絡服務業務收入減少。貿易應收款項周轉日數由截至二零一一年十二月三十一日止年度的177日增加至截至二零一二年十二月三十一日止年度的226日，主要由於中國政府持續對房地產業實施調控措施，引致房地產廣告開支減少，令市場流動資金進一步趨緊，導致客戶延長了還款時間所致。

Management Discussion and Analysis

管理層討論與分析

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	
		2012	2011
		二零一二年	二零一一年
		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>44,969</u>	<u>29,336</u>

The Group recognises revenue from advertising services upon obtaining the contractual rights to sell the relevant properties. Such revenue recognised from the relevant real estate customers were RMB5.1 million and RMB17.0 million for the years ended 31 December 2011 and 31 December 2012, respectively, which accounted for 1.0% and 4.5% of total revenue, respectively. For the same periods, the amount of proceeds received from the sales of such properties was RMB5.6 million and RMB1.4 million, respectively.

本集團於獲得出售相關物業的合約權利時確認廣告服務的收入。截至二零一一年十二月三十一日及二零一二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入金額分別為人民幣5.1百萬元及人民幣17.0百萬元，分別佔總收入1.0%及4.5%。同期，自出售該等物業收取的所得款項分別為人民幣5.6百萬元及人民幣1.4百萬元。

Trade payables

貿易應付款項

		As at 31 December	
		於十二月三十一日	
		2012	2011
		二零一二年	二零一一年
		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	991	2,227
31 – 90 days	31至90日	2,675	425
Over 90 days	90日以上	<u>1,978</u>	<u>1,495</u>
Total	總計	<u>5,644</u>	<u>4,147</u>

Management Discussion and Analysis

管理層討論與分析

Trade payables increased by 36.6% from RMB4.1 million as at 31 December 2011 to RMB5.6 million as at 31 December 2012. Trade payables turnover days increased from 6 days for the year ended 31 December 2011 to 7 days for the year ended 31 December 2012, 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:

Borrowings	借款	As at 31 December	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term bank loans, secured	短期銀行貸款，已抵押	44,000	47,000
Other loan	其他貸款	539	2,528
Loans from related parties	關連人士貸款	-	157
Total	總計	<u>44,539</u>	<u>49,685</u>

Total borrowings amounted to RMB49.7 million and RMB44.5 million as at 31 December 2011 and 31 December 2012, respectively.

Loans included borrowings secured by equipment and buildings with carrying values of RMB47.0 million and RMB44.0 million for the years ended 31 December 2011 and 31 December 2012, respectively.

Gearing ratio decreased from 3.5% as at 31 December 2011 to 3.4% as at 31 December 2012 primarily due to the repayment of borrowing during the year.

貿易應付款項由二零一一年十二月三十一日的人民幣4.1百萬元增加36.6%至二零一二年十二月三十一日的人民幣5.6百萬元。貿易應付款項周轉日數由截至二零一一年十二月三十一日止年度的6日增加至截至二零一二年十二月三十一日止年度的7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：

截至二零一一年十二月三十一日及二零一二年十二月三十一日，本集團的借款總額分別達人民幣49.7百萬元及人民幣44.5百萬元。

貸款包括以設備及樓宇作抵押的借款，有關借款於截至二零一一年十二月三十一日及二零一二年十二月三十一日止年度的賬面值分別為人民幣47.0百萬元及人民幣44.0百萬元。

資產負債比率由二零一一年十二月三十一日的3.5%下跌至二零一二年十二月三十一日的3.4%，主要是由於年內償還借款。

Management Discussion and Analysis

管理層討論與分析

Commitments

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

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	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Not later than 1 year	一年以下	191,418	252,750
Later than 1 year and not later than 5 years	一年以上及五年以下	707,000	623,250
Later than 5 years	五年以上	1,890,000	1,992,750
		2,788,418	2,868,750

Contingent liability

The Group follows the guidance of IAS37 "Provisions, Contingent Liabilities and Contingent Assets" to determine when should contingent liabilities be recognised, which requires significant judgement.

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.

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.

或有負債

本集團遵照國際會計準則第37號「撥備、或有負債及或有資產」的指引釐定應何時確認或有負債，而確認時須作出重大判斷。

當有可能產生義務，惟其存在與否須透過非本集團所能控制的未來事件確定；或當不可能計算義務所涉金額，則會披露或有負債。任何目前未有確認或披露的或有負債一旦實現，則可能對本集團的財務狀況造成重大影響。

本集團會審閱重大的待決訴訟，以評估是否有需要計提撥備。所考慮的因素包括訴訟的性質、損害賠償的法律程序及潛在水平、法律顧問的意見及見解以及管理層對回應訴訟的意向。倘估計及判決不能反映實際結果，則可能嚴重影響期內業績及財務狀況。

Management Discussion and Analysis

管理層討論與分析

(a) Lawsuits between the Group and Shenyang Media Corporation

On 26 July 2011, Shenyang Media Corporation unilaterally terminated the Comprehensive Cooperation Contract with the Group.

The Group received a summons issued by the Shenyang Intermediate People's Court in Liaoning Province (the "Shenyang Intermediate People's Court") on 25 October 2011, where Shenyang Media Corporation claimed the Group for, among others, a total sum of RMB17,328,767 being the outstanding advertising fees payable by the Group to Shenyang Media Corporation (the "Case 1").

On 22 December 2011, the Group filed summons of claim to the Higher People's Court of Liaoning Province (the "Higher People's Court") against Shenyang Daily Agency and Shenyang Media Corporation, where the Group claimed Shenyang Daily Agency and Shenyang Media Corporation for, among others, a total sum of RMB105,579,352, being the outstanding advertising fees payable by Shenyang Daily Agency and Shenyang Media Corporation (the "Case 2") to the Group.

On 8 March 2012, the Group received a civil judgment issued by the Higher People's Court in relation to Case 2, pursuant to which the Higher People's Court decided to refer the case back to the Shenyang Intermediate People's Court. As advised by the PRC legal counsel, the Group has lodged an appeal to the Supreme People's Court of the PRC (the "Supreme People's Court") on 13 March 2012 to request the Supreme People's Court to overrule the Higher People's Court's decision.

(a) 本集團與瀋陽傳媒公司的訴訟

於二零一一年七月二十六日，瀋陽傳媒公司單方面解除與本集團的全面合作合約。

於二零一一年十月二十五日，本集團收到遼寧省瀋陽市中級人民法院（「瀋陽市中級人民法院」）發出的傳票，據此，瀋陽傳媒公司向本集團提出索償（其中包括）總額人民幣17,328,767元，即本集團應付瀋陽傳媒公司的未付廣告費（「案件一」）。

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（其中包括）總額人民幣105,579,352元，即瀋陽日報社及瀋陽傳媒公司應付予本集團的未付廣告費（「案件二」）。

於二零一二年三月八日，本集團已收到高級人民法院有關案件二的民事裁定書，據此，高級人民法院裁定將該案件發還瀋陽市中級人民法院審理。根據中國法律顧問的意見，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，請求最高人民法院駁回高級人民法院的裁定。

On 30 August 2012, the Group received a judgment of first instance awarded by the Shenyang Intermediate People's Court in relation to Case 1, in which the Group was ordered to pay Shenyang Media Corporation RMB17,250,398 as advertising fees together with court fees within 10 days after the judgment becomes effective. On 6 September 2012, the Group has lodged an appeal to the Higher People's Court to seek to revoke the judgment of first instance in due course.

On 27 December 2012, the Higher People's Court of Liaoning Province ordered that the judgment of first instance on 30 August 2012 should be dismissed and a retrial of Case 1 at the Shenyang Intermediate People's Court was ordered. The management believes that it is not probable that this litigation would result in a material outflow of economic benefits from the Group.

Nevertheless, the management takes into consideration the economic reasons relating to Shenyang Daily Agency's and Shenyang Media Corporation's financial and liquidity difficulties and has prudently made provision for loss or provision for impairment of the RMB43,780,000 deposit and prepayment paid to Shenyang Media Corporation as at 31 December 2012.

(b) Enforcement order issued by Yueyang City Intermediate People's Court ("Yueyang Intermediate People's Court") against the Group.

On 4 June 2012, Yueyanglin Paper Co., Ltd. has filed a civil claim against Southeast Express and Lifestyle Express in respect of an outstanding payment of RMB31,859,018 relating to certain sales made in prior years.

於二零一二年八月三十日，本集團收到瀋陽市中級人民法院就案件一作出的一審判決，據此，本集團被頒令於判決生效後的十天內，向瀋陽傳媒公司支付人民幣17,250,398元廣告費，連同庭費。於二零一二年九月六日，本集團向高級人民法院提出上訴，尋求在適當時間撤回一審判決。

於二零一二年十二月二十七日，遼寧省高級人民法院頒令撤銷於二零一二年八月三十日作出的一審判決，並頒令於瀋陽市中級人民法院重審案件一。管理層相信該訴訟不大可能會導致本集團有重大經濟利益流出。

然而，管理層考慮到有關瀋陽日報社及瀋陽傳媒公司財務及流動性困難的經濟原因，於二零一二年十二月三十一日審慎地就人民幣43,780,000元的已付瀋陽傳媒公司按金及預付款項作出虧損撥備或減值撥備。

(b) 岳陽市中級人民法院（「岳陽市中級人民法院」）針對本集團出具的執行裁定書

於二零一二年六月四日，岳陽林紙股份有限公司就過往年度進行若干銷售涉及的尚未償還付款人民幣31,859,018元向東南快報社及生活新報社提出民事索償。

Management Discussion and Analysis

管理層討論與分析

On 10 July 2012, Yueyang Intermediate People's Court has made a civil judgement that Southeast Express and Lifestyle Express shall pay Yueyanglin Paper Co., Ltd. the aforesaid amount.

On 26 October 2012, Yueyang Intermediate People's Court issued an enforcement order which stated that there were intentional transfer of assets, such as connected transactions or confusion of properties, between Southeast Express, Lifestyle Express, and the Group in order to against the civil judgment and hence, Yueyang Intermediate People's Court ordered to freeze the cash and assets of the Company and its wholly owned subsidiaries, including Fuzhou AoHai Advertisement Co., Ltd. and Kunming AoHai Advertising Co.,Ltd. up to a maximum amount of RMB31,859,018 under the enforcement letter.

As advised by the PRC legal counsel, on 8 November 2012, the Group has submitted an objection application to the Higher People's Court of Hunan Province with a copy sent to Higher People's Court of Hunan Province to object and rescind the enforcement order.

As at 31 December 2012, RMB12,890,171 of cash deposits in four bank accounts in the PRC of the Group have been temporarily frozen by Yueyang Intermediate People's Court under the enforcement order.

於二零一二年七月十日，岳陽市中級人民法院出具民事判決書，頒令東南快報社及生活新報社須向岳陽林紙股份有限公司支付上述金額。

於二零一二年十月二十六日，岳陽市中級人民法院出具執行裁定書，當中載述東南快報社及生活新報社與本集團之間存在有意轉移資產（例如關連交易或財產混同），以對抗民事判決書。因此，岳陽市中級人民法院依據執行裁定書頒令凍結本公司及其全資附屬公司（包括福州奧海廣告有限公司及昆明奧海廣告有限公司）不超過最高價值人民幣31,859,018元的現金和資產。

誠如中國法律顧問所建議，於二零一二年十一月八日，本集團已向湖南省高級人民法院提交異議申請（申請副本已同時送交湖南省高級人民法院）以就執行裁定書提出異議，並要求解除有關執行裁定書。

於二零一二年十二月三十一日，根據執行裁定書，本集團存放於中國四個銀行賬戶的人民幣12,890,171元的現金存款已被岳陽市中級人民法院暫時凍結。

Management Discussion and Analysis

管理層討論與分析

On 30 January 2013, the Group has received the enforcement judgment issued by the Higher People's Court of Hunan Province to revoke the enforcement order issued by Yueyang Intermediate People's Court on 26 October 2012. Yueyanglin Paper Co., Ltd. has subsequently lodged an appeal to the Higher People's Court of Hunan Province to request for overruling the judgment. According to the advice from the Group's PRC legal counsel, to the best knowledge, information and belief of the directors, management believes that it is not probable that this enforcement letter would result in a the material outflow of economic benefits from the Group. Accordingly, no provision for loss of the RMB12,890,171 cash deposit nor any amount in the context of the outstanding payment the enforcement letter issued by Yueyang Intermediate People's Court has been made as at 31 December 2012.

Human resources

As at 31 December 2012, the Group had approximately 1,170 full-time employees. Total staff costs including directors' remuneration for the year ended 31 December 2012 was approximately RMB93.4 million (2011: approximately RMB70.7 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.

於二零一三年一月三十日，本集團收到湖南省高級人民法院出具的執行裁定書，撤銷岳陽市中級人民法院於二零一二年十月二十六日出具的執行裁定書。岳陽林紙股份有限公司其後向湖南省高級人民法院提出上訴，請求駁回有關裁定。按照本集團中國法律顧問的意見，就董事所深知、盡悉及確信，管理層相信該執行裁定書不大可能會導致本集團有重大經濟利益流出。因此，本集團於二零一二年十二月三十一日並無就人民幣12,890,171元的現金存款或岳陽市中級人民法院出具的執行裁定書所涉及的任何尚未償還付款額計提虧損撥備。

人力資源

截至二零一二年十二月三十一日，本集團擁有約1,170名全職僱員。截至二零一二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93.4百萬元（二零一一年：約人民幣70.7百萬元）。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本集團高級管理層表現及制訂彼等的薪酬結構。

本公司營辦一項僱員購股權計劃，藉以向為本公司提供服務的合資格人士對本公司作出的貢獻及努力不懈地促進本公司利益，以及董事會可能不時批准的其他原因給予鼓勵或獎賞。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

Looking forward to 2013, the Group believes that the promising long-term growth potential of the advertising industry will be sustained under the 12th Five-Year Plan of China, which clearly stipulates that China will continue to promote the healthy development of the advertising industry. "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). Impetus will also come from the revived growth of China's economy as well as the rise in the people's consumption power.

Given the continued implementation of austerity measures by the Chinese government on the real estate market, which indirectly affected clients' advertising spending, the Group will proactively expand its customer base to other key consumer goods sectors. Furthermore, the Group also plans to seize opportunities in the new media market and to accelerate the growth of its Internet and new media operations while reinforcing its newspaper advertising business, thereby laying a solid foundation on which the Group will further develop its businesses. On the other hand, the Group will proceed to enhance its cost controls and strive to improve its operating efficiency. Capitalizing on its brand power, multiregional coverage and potent multimedia platforms, the Group will continue to consolidate its existing clients, explore new ones, integrate innovative technologies and establish competitive integrated multimedia service platforms in order to create more value for its shareholders.

前景

展望二零一三年，本集團相信隨着中國在「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（二零一一年本）》把「廣告創意、廣告策劃、廣告設計、廣告製作」列為鼓勵類，加上中國經濟增速回穩，以及人民整體消費能力的提高，廣告行業的長遠發展潛力仍然優厚。

有見於國家對房地產市場的調控持續，間接影響客戶的廣告開支，本集團將積極開拓新客源至其他主要消費品行業。此外，本集團計劃抓緊新媒體市場的機遇，在發展報紙廣告業務的同時，加快發展互聯網新媒體業務，為本集團業務的進一步發展奠下堅實的基礎。另一方面，本集團將繼續做好成本管控，致力改善營運效益。憑借本集團的品牌效應、跨地域覆蓋及跨媒體平台的實力，本集團將不斷鞏固已有客戶，發展新客戶，整合創新技術，形成具有較強競爭力的綜合媒體服務供應平台，為股東創造更佳的价值。

Directors and Senior Management Profile

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Chen Zhi, aged 47 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，47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 47 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，47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 39 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，39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 36, 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.

NON-EXECUTIVE DIRECTORS

Mr. Wang Ping, aged 43, 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.

余詩權先生，36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、瀋陽祝泰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。

非執行董事

王平先生，43歲，非執行董事。他是福建省人事廳認可的高級會計師。他亦任廈門大學管理學院的客座教授。此外，王先生亦為中科宏易（香港）投資管理有限公司（「中科」）、龍柏國際投資管理有限公司以及深圳市彩虹精細化工股份有限公司、深圳市通產麗星股份有限公司及廈門三五互聯科技股份有限公司董事，該三家公司均於中國上市。王先生於二零一零年一月十八日獲委任為本公司董事。他於二零零四年取得廈門大學管理學博士學位。

Directors and Senior Management Profile

董事及高級管理層履歷

Ms. Chen Min, aged 42, 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhou Chang Ren, aged 65, 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.

陳敏女士，42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。

獨立非執行董事

周昌仁先生，65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 43, is an independent non-executive Director. He was appointed as our Director on November 8, 2010. Mr. Wong was an accountant with Deloitte Touche 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，43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 50, 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 50, 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，50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，50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. Li Gang, aged 56, is the assistant to the chief executive officer of the Group and president of the print media division responsible for the management of the print media business in the PRC. Mr. Li served as a reporter and editor of *Fujian Daily* from 1987 to 1997. He was a member of the editorial board of *Strait News* and was responsible for operation from 1997 to 2004. In 2004, he joined the Group and served as the general manager for the Digital Media Center of Fujian ShiFang Culture Communication Co., Ltd., the general manager of Dalian ShiFang Media Co., Ltd. and the vice president of the Group's office. Mr. Li has worked in the media industry for over 20 years and has extensive experience in media operation and management.

Mr. Xu Kai Ning, aged 40, is the president of the new media division of ShiFang Holding. Mr. Xu served as a director and the general manager of Shifang YaQi Culture Communication (Xiamen) Co. Ltd from 2004 to 2008 and also took the role of chairman of Shenyang ZhuQin ShiFang Media Development Co., Ltd. from 2007 to 2008. He served as the general manager of the Investment and Development Center and the general manager of the Media Commerce Center of the Olympia Media Group and the vice president of the Integrated Marketing Center of the ShiFang Holding Group since 2008 until he assumed the current role in June 2012.

Mr. Zheng Bo Ling, aged 45, is the president of the Group's asset management and operation division. Mr. Zheng joined the Group in 2002 and served as the deputy general manager and general manager of Quan Zhou Shifang Advertising Company Ltd. from 2002 to 2006. He later served as the general manager of the Tangshan branch of Fujian Shifang from 2006 to 2010 and the general manager of 貴州十方漢鼎廣告有限公司 from 2010 to 2011.

高級管理層

李剛先生，56歲，本集團首席執行官助理兼平面媒體子集團總裁，協助分管全國平面媒體業務。李先生一九八七年至一九九七年間於福建日報社任記者、編輯職務。一九九七至二零零四年於海峽都市報社任編委，分管經營。於二零零四年加入本集團，先後出任福建十方文化傳播有限公司數位傳媒中心總經理、大連十方傳媒有限公司總經理、集團辦公室副總裁職務。李先生20餘年傳媒行業履職經歷，積累了豐富的傳媒運營管理經驗。

許開寧先生，40歲，十方控股新媒體子集團總裁。許先生二零零四年至二零零八年於十方亞祺文化傳播(廈門)有限公司任董事兼總經理職務；二零零七至二零零八年還兼任瀋陽祝秦十方文化傳媒發展有限公司董事長。自二零零八年起先後在奧海傳媒集團任投資發展中心總經理、傳媒商務中心總經理、十方控股集團整合營銷中心副總裁，直至二零一二年六月擔任十方控股新媒體子集團總裁。

鄭柏齡先生，45歲，本集團資產管理運營子集團總裁。鄭先生於二零零二年加入本集團，二零零二年至二零零六年於泉州十方廣告有限公司擔任副總經理、總經理職務。二零零六年至二零一零年於福建十方唐山分公司擔任總經理職務，二零一零年至二零一一年於貴州十方漢鼎廣告有限公司擔任總經理職務。

Directors and Senior Management Profile

董事及高級管理層履歷

Mr. Pan Jian Ping, aged 40, 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.

COMPANY SECRETARY

Ms. Chan Ching Yi, aged 38 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 16 years of financial and auditing experience. She is currently the company secretary of Zheda Lande Scitech Limited (stock code: 8106), a company listed on the Growth Enterprise Market Board of the Stock Exchange and the company secretary of Kingdom Holdings Limited (stock code: 528), a company listed on the Main Board of the Stock Exchange. Ms. Chan joined our Group in August 2010.

潘建平先生，40歲，本公司財務內部控制副總裁。他是福建省財政廳認可的合資格會計師及中國資產評估協會認可的執業資產估值師。潘先生於一九九五年至一九九七年和二零零零年至二零零四年為福建省審計師事務所（現稱福建弘審會計師事務所）的項目經理，並於一九九八年至一九九九年為福建華審資產評估房地產土地估價有限責任公司的項目經理。他於二零零四年加入本集團，於二零零八年擔任本公司內部控制副總裁前，擔任北京鴻馨圖財務總監兼總裁助理，直至二零零七年止。他於一九九五年畢業於福州大學並獲會計學文憑，而二零零九年亦於華中師範大學兼讀並獲取法學文憑。潘先生擁有逾八年的會計經驗，主要負責本集團的內部財務管理及審核監管。

公司秘書

陳靜儀女士，38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16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 2012.

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 2012 are set out in the consolidated statement of comprehensive income on page 90.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2012 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 2012, the Group had acquired property, plant and equipment of approximately RMB6.6 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 2012 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 22 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」）截至二零一二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

本集團截至二零一二年十二月三十一日止年度的業績載於第90頁的合併全面收益表。

董事不建議派付截至二零一二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

於二零一二年度，本集團為其印刷機器及辦公室設備升級而收購約人民幣6.6百萬元物業、廠房及設備。

上述及二零一二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22。

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 23 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 2012 was approximately RMB1,062.0 million.

DONATIONS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year of 2012, the aggregate sales attributable to the Group's five largest customers comprised approximately 26.6% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 7.2% of the Group's total sales.

The aggregate purchases during the year of 2012 attributable to the Group's five largest suppliers were approximately 78.0% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 25.0% of the Group's total purchases.

優先購買權

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

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團儲備於年內的變動詳情分別載於合併財務報表附註23及合併權益變動表。

可供分派儲備

截至二零一二年十二月三十一日，本公司可供分派予股東的儲備金額約為人民幣1,062.0百萬元。

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

於二零一二年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約26.6%，而本集團最大客戶應佔銷售額佔本集團總銷售額約7.2%。

於二零一二年度，本集團五大供應商應佔購貨總額佔本集團總購貨額約78.0%，而本集團最大供應商應佔購貨額佔本集團總購貨額約25.0%。

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' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 37 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37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 28 to the consolidated financial statements.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2012 were within the following bands:

Bands	幅度	Number of Senior Management 高級管理層人數
RMB300,000 to RMB400,000	人民幣300,000元至人民幣400,000元	3
RMB400,001 to RMB500,000	人民幣400,001元至人民幣500,000元	1
Total:	總計:	4

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 2012 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28。

於截至二零一二年十二月三十一日止年度，已付高級管理層（董事除外）的酬金介乎下列幅度：

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，於二零一二年度，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' 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 2012.

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

於截至二零一二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；

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- (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。

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

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Note 1:

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

- (i) 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;
- (ii) 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;
- (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 37 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").

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:

- (i) 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;
- (ii) 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;
- (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37。

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」)。

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.

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.

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。

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的股本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。

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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 2012, no share option had been granted under the Post-IPO Share Option Scheme.

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（包括已行使、已註銷及未行使的購股權）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。

截至二零一二年十二月三十一日，並無根據首次公開發售後購股權計劃授出任何購股權。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2012, 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

董事於股份及相關股份的權益及淡倉

於二零一二年十二月三十一日，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

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)	5.1%
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	5,347,604 (note 2)	0.6%
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)	2.5%

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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. Chen Zhi 陳志先生	Beneficial Owner 實益擁有人	N/A 不適用	0.5% 0.5%
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. Yu Shi Quan 余詩權先生	Beneficial Owner 實益擁有人	N/A 不適用	0.1% 0.1%
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%

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 72.7%.
- (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72.7%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 董事姓名	Nature of Interest 權益性質	Description of equity derivatives (note 1) 股本衍生工具詳情 (附註1)	Total number of underlying Shares 相關股份總數	Approximate percentage of interest 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	1.2% 1.2%
Mr. Hong Pei Feng 洪培峰先生	Personal 個人	Share Option 購股權	2,745,616 2,745,616	0.3% 0.3%
Mr. Zhang Tie Zhu 張鐵柱先生	Personal 個人	Share Option 購股權	9,335,093 9,335,093	1.1% 1.1%
Mr. Yu Shi Quan 余詩權先生	Personal 個人	Share Option 購股權	1,098,246 1,098,246	0.1% 0.1%
Mr. Wang Ping 王平先生	Personal 個人	Share Option 購股權	549,123 549,123	0.1% 0.1%

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。

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SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2012, 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:

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	311,763,153 311,763,153	37.1% 37.1%
Myriad Power Limited	Beneficial Owner 實益擁有人	120,000,000 120,000,000	14.3% 14.3%
TopBig International 昇平國際	Beneficial Owner (note 1) 實益擁有人(附註1)	42,998,170 42,998,170	5.1% 5.1%
Templeton Strategic Emerging Markets Fund III, LDC ("Templeton") 鄧普頓新興市場基金(「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	5.8% 5.8%

Notes:

- (1) TopBig International is a company incorporated under the laws of the BVI, which is wholly-owned by Mr. Chen, the executive director and chairman of the Company.
- (2) 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 2012.

主要股東於股份及相關股份的權益

於二零一二年十二月三十一日，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	311,763,153 311,763,153	37.1% 37.1%
Myriad Power Limited	Beneficial Owner 實益擁有人	120,000,000 120,000,000	14.3% 14.3%
TopBig International 昇平國際	Beneficial Owner (note 1) 實益擁有人(附註1)	42,998,170 42,998,170	5.1% 5.1%
Templeton Strategic Emerging Markets Fund III, LDC ("Templeton") 鄧普頓新興市場基金(「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	5.8% 5.8%

附註：

- (1) 昇平國際為一家根據英屬處女群島法律註冊成立的公司，由本公司執行董事兼主席陳先生全資擁有。
- (2) 鄧普頓為一家於開曼群島註冊成立的有限公司，在新興市場作出戰略投資，由Templeton Asset Management Ltd.管理。

除本文所披露者外，於二零一二年十二月三十一日，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。

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.

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.

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。

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。

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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.

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.

架構合約確立了福建十方取得北京鴻馨圖實際管理、經營及經濟控制權，以及有獨家選擇權於中國法律准許的時間及規定下購買所有或部分北京鴻馨圖的全部股權。由於根據由中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。

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。

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.

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.

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。

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」等節。

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。

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

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

Other than disclosed above, there was no other transaction which needs to be disclosed as connected transaction in accordance with the requirements of the Listing Rules during the year ended 31 December 2012.

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

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

除上文所披露者外，於截至二零一二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.

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

26 March 2013

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。

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

二零一三年三月二十六日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE CODE

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 principles and complied with the former and revised code provisions of the Corporate Governance Code (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, which shall also be revised from time to time in accordance with the Listing Rules. 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 2012.

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 37 to 45 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.

企業管治守則

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，本公司一直採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）的原則，並遵守其前用及經修訂守則條文，作為本公司的企業管治守則（亦將不時根據上市規則作出修訂）。除下文所披露者外，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二零一二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。

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37至45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。

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.

During the period under review, the Board convened 4 board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meeting and 1 Nomination Committee meeting respectively. The attendance of individual Directors at meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee is as follows:

董事會程序

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

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。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：

		Shareholders' general meeting 股東大會	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)	0/1	4/4	N/A 不適用	1/1	1/1
Hong Pei Feng	洪培峰	1/1	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)	1/1	3/4	N/A 不適用	N/A 不適用	N/A 不適用
Yu Shi Quan	余詩權	1/1	4/4	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	0/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Chen Min	陳敏	0/1	4/4	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	1/1	4/4	2/2	1/1	1/1
Zhou Chang Ren	周昌仁	1/1	4/4	2/2	1/1	N/A 不適用
Zhuo Ze Yuan	卓澤淵	0/1	4/4	2/2	N/A 不適用	1/1
Cai Jian Quan	蔡建權	0/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用

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All the Directors have access to relevant and timely information. They also have access to the advice and services of the company secretary of the Company, who is responsible for providing the Directors with Board papers and related materials. Where queries are raised by the Directors, prompt and full responses will be given if possible.

Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent Non-Executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

Independent Non-Executive Directors are identified in all corporate communications containing the names of the Directors. An updated list of the Directors identifying the Independent Non-Executive Directors and the roles and functions of the Directors is maintained on the website of the Company and the website of the Stock Exchange.

Roles and responsibilities of the Board

The Board is collectively responsible for promoting the success and interest of the Group through its leadership and supervision. The principal tasks of the Board are to:

- (i) provide entrepreneurial leadership for the Company with a framework of prudent and effective controls which enables risks to be assessed and managed;
- (ii) set the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review its management performance; and
- (iii) set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

所有董事可獲得相關及適時的資料。彼等亦可獲得本公司的公司秘書提供的意見及服務，公司秘書負責向董事提供董事會文件及有關材料。倘董事提出問題，本公司會在可能情況下儘快作出詳盡回應。

倘出現涉及本公司主要股東或董事的潛在利益衝突，有關事宜將於實際董事會會議上討論，而不會透過提呈書面決議案處理。並無涉及利益衝突的獨立非執行董事將會出席會議，處理有關衝突事宜。

所有載有董事姓名的公司通訊概況均會列出獨立非執行董事的身份。列有獨立非執行董事身份以及董事角色及職能的最新董事名單載於本公司網站及聯交所網站。

董事會的角色及責任

董事會通過領導及監督，集體負責推動本集團的成功及增進其利益。董事會的主要工作為：

- (i) 以審慎有效的監控架構為本公司提供企業領導，令風險得以評估及管理；
- (ii) 制定本公司的策略目標，確保所需財務及人力資源配置得宜，令本公司可達成其目標及檢討其管理層的表現；及
- (iii) 訂定本公司的價值及標準，確保可了解及履行其對股東及其他人士的責任。

No event or condition of material uncertainties was found that may cast significant doubt about the Company's ability to continue as a going concern during the period under review. The Directors were responsible for the preparation and the true and fair presentation of the financial statements of the Company, in all material respects, in accordance with applicable regulatory requirements.

Skills, knowledge, experience and attributes of Directors

All Directors of the Board had served in office during the period under review. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The Executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The Non-Executive Directors and the Independent Non-Executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

Induction and training

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary).

Pursuant to the Code Provision A.6.5 of the Revised CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed

於回顧期內並無發現有任何事件或重大不明朗情況，可導致本公司能否持續經營嚴重成疑。董事有責任根據適用監管規定，編製在各重大方面真實而公平地呈列本公司的財務報表。

董事技能、知識、經驗及特性

董事會所有董事於回顧期間一直在任。各董事承諾投放足夠時間及注意力處理本公司事務。董事亦表明了解並致力維持高水平的企業管治。執行董事透過對本集團業務的深入了解將其視野帶入董事會。非執行董事及獨立非執行董事則因應本身的技能及經驗、對本地及全球經濟的了解以及對資本市場的認識，為本集團業務作出貢獻。本公司有責任為所有董事安排及出資提供合適的持續專業發展課程，以增進及更新彼等的知識及技能。

就職與培訓

各新任執行或非執行董事須參與就職計劃，以確保對其職責及責任有正確理解。就職計劃包括本集團業務營運及管治政策概覽、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事責任及職責、有關監管規定、過往十二個月董事會及董事委員會的會議紀錄回顧以及本集團高級管理人員簡報與實地考察（如有需要）。

根據經修訂企業管治守則的守則條文第A.6.5條，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。本年度

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and relevant. During the Year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

The company secretary of the Company maintains records of training attended by the Directors. The training attended by each Director during the Year is tabulated as follows:-

Training Records

Name 姓名		Type of trainings 培訓類型 (Note 1) (附註1)	Training matters 培訓主題 (Note 2) (附註2)
Executive Directors		執行董事	
Mr. Chen Zhi (<i>Chairman & Chief Executive Officer</i>)	陳志先生 (主席兼首席執行官)	a, b	i, ii, iii, iv
Mr. Hong Pei Feng	洪培峰先生	a, b	i, ii, iii, iv
Mr. Zhang Tie Zhu (<i>Chief Financial Officer</i>)	張鐵柱先生 (首席財務官)	a, b	i, ii, iii, iv
Mr. Yu Shi Quan	余詩權先生	a, b	i, ii, iii, iv
Non-Executive Directors		非執行董事	
Mr. Wang Ping	王平先生	a, b	i, ii, iii, iv
Ms. Chen Min	陳敏女士	a, b	i, ii, iii, iv
Independent Non-Executive Directors		獨立非執行董事	
Mr. Wong Heung Ming, Henry	黃向明先生	a, b	i, ii, iii, iv
Mr. Zhou Chang Ren	周昌仁先生	a, b	i, ii, iii, iv
Mr. Zhou Ze Yuan	卓澤淵先生	a, b	i, ii, iii, iv
Mr. Cai Jian Quan	蔡建權先生	a, b	i, ii, iii, iv

Note 1:

- a – attending seminar or training session
- b – self-development and updates relating to general economy, business development, director's duties and responsibilities, etc.

Note 2:

- i – corporate governance
- ii – regulatory compliance
- iii – finance
- iv – management and operation

內·所有董事已透過參加培訓及／或閱讀有關本公司業務或董事職責及責任的材料參與適當的持續專業發展活動。

本公司的公司秘書會保存董事參加培訓的紀錄。於本年度內各董事參加培訓的情況表列如下：

培訓紀錄

	Type of trainings 培訓類型 (Note 1) (附註1)	Training matters 培訓主題 (Note 2) (附註2)
執行董事		
Mr. Chen Zhi (<i>Chairman & Chief Executive Officer</i>)	a, b	i, ii, iii, iv
Mr. Hong Pei Feng	a, b	i, ii, iii, iv
Mr. Zhang Tie Zhu (<i>Chief Financial Officer</i>)	a, b	i, ii, iii, iv
Mr. Yu Shi Quan	a, b	i, ii, iii, iv
非執行董事		
Mr. Wang Ping	a, b	i, ii, iii, iv
Ms. Chen Min	a, b	i, ii, iii, iv
獨立非執行董事		
Mr. Wong Heung Ming, Henry	a, b	i, ii, iii, iv
Mr. Zhou Chang Ren	a, b	i, ii, iii, iv
Mr. Zhou Ze Yuan	a, b	i, ii, iii, iv
Mr. Cai Jian Quan	a, b	i, ii, iii, iv

附註1：

- a – 出席研究會或培訓課程
- b – 自我發展及有關一般經濟、業務發展、董事職責及責任等事宜之最新資料

附註2：

- i – 企業管治
- ii – 監管遵例
- iii – 財務
- iv – 管理及營運

Directors' and officers' liability insurance and indemnity

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2012, no claim had been made against the Directors and the officers of the Company.

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.

董事及高級職員的責任保險及彌償保證

本公司已安排適當責任保險，以就針對董事的法律訴訟向董事及高級職員作出彌償保證。於二零一二年全年，並無任何人士向本公司董事及高級職員提出索償。

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。

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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.

Relationships and associations among the Directors

Ms. Chen Min is the sister of Mr. Chen Zhi, who is also the chairman of the Company. Save as disclosed, there was no relationship between members of the Board (including financial, business, family or other material/relevant relationship(s)).

Company secretary

The company secretary of the Company (the "Company Secretary") is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be available to all Directors for inspection. She is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft

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。

董事間之關係及聯繫

陳敏女士為本公司主席陳志先生的胞妹。除已披露者外，董事會成員間並無任何關係（包括財務、業務、家族或其他重大／相關關係）。

公司秘書

本公司的公司秘書（「公司秘書」）負責保存各董事會會議或董事委員會會議的詳細會議紀錄，當中包括董事發表的任何相反意見。有關會議紀錄應可供全體董事查閱。彼亦負責確保董事會程序符合所有適用法律、規則及規例，以及就企業管治事宜向董事會提供意見。所有會議議程、有關資料及文件至少須於董事會或董事委員會會議預定舉行日期前3天發出。公司秘書有責任於上述會議結束後，在合理時間內將董事會或董事委員會會議的會議紀錄初稿提交予全體董事，讓董事給予意見，而董事會或

minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that she had taken no less than 15 hours of relevant professional training.

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.

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.

董事委員會會議紀錄定稿亦須交予全體董事備存。所有董事可取得公司秘書的意見及享用其提供的服務，以確保董事會程序及所有適用法律得以遵循。

再者，公司秘書有責任讓全體董事得悉有關上市規則、監管規定及本公司內部行為守則的最新資訊。

於本年度內，公司秘書確認已參加不少於15個小時的相關專業培訓。

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。

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。

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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, 2012, including the accounting policies and practice adopted by the Group.

During the year ended 31 December 2012, 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.

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
- 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二零一二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。

截至二零一二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。

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

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.

The Remuneration Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

The following is a summary of work performed by the Remuneration Committee during the period under review:

- (a) formulating and recommending the policy and structure of the remuneration of the Directors and senior officers of the Group to the Board;
- (b) assessing individual performance of the Directors and senior officers of the Group;

本公司已向審核委員會提供足夠資源，供其履行職責。審核委員會的最新職權範圍可在本公司網站及聯交所網站查閱。

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。

本公司已向薪酬委員會提供足夠資源，供其履行職責。薪酬委員會現時的職責及責任於其最新職權範圍有更具體描述，詳情可在本公司網站及聯交所網站查閱。

於回顧期間，薪酬委員會已進行的工作概列如下：

- (a) 制訂本集團董事及高級管理人員的薪酬政策及架構，並向董事會提供建議；
- (b) 評估本集團董事及高級管理人員的個別表現；

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- (c) reviewing specific remuneration packages of the Directors and senior officers of the Group with reference to the Board's corporate goals and objectives as well as individual performances; and
- (d) reviewing and making recommendations to the Board on compensation-related issues.

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.

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

- (c) 參照董事會的企業目標及目的以及個別表現，檢討本集團董事及高級管理人員的特定薪酬待遇；及
- (d) 檢討有關薪酬相關問題，並向董事會提供建議。

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或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。

本公司已向提名委員會提供足夠資源，供其履行職責。提名委員會現時的職責及責任於其最新職權範圍有更具體描述，詳情可在本公司網站及聯交所網站查閱。

The following is a summary of the work performed by the Nomination Committee during the period under review:

- (a) reviewing and evaluating the composition of the Board with reference to certain criteria. These criteria included qualifications required under the Listing Rules or any other relevant laws regarding characteristics and skills of the Directors, professional ethics and integrity, appropriate professional knowledge and industry experience, as well as ability to devote sufficient time to the work of the Board and its committees and to participate in all Board meetings and shareholders' meetings;
- (b) reviewing and recommending the re-appointment of the retiring Directors for reelection at the previous general meeting; and
- (c) assessing independence of the Independent Non-Executive Directors.

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, 2012 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.

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 83 to 85 of this annual report.

於回顧期間，提名委員會已進行的工作概列如下：

- (a) 參照若干準則檢討及評價董事會組成。該等準則包括上市規則或任何其他相關法例規定須具備的資格，包括董事個性及技能、專業操守及誠信、適合的專業知識及行業經驗、能否付出足夠時間參與董事會及其委員會的工作以及參與所有董事會會議及股東大會；
- (b) 檢討續聘於之前股東大會上膺選連任的退任董事，並提供建議；及
- (c) 評估獨立非執行董事的獨立性。

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二零一二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、清晰及全面地呈列年報及中期報告、其他股價敏感公告及上市規則規定的其他財務披露事項。

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83至85頁的獨立核數師報告內。

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During the year ended 31 December 2012, the remuneration paid or payable to PWC for audit services, audit related services and non-audit services amounted to RMB3,078,000 (2011: RMB2,484,000), RMB1,027,000 (2011: RMB1,324,000) and RMB9,000 (2011: RMB9,000) 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 2012, the Board has reviewed the effectiveness of the internal control system of the Group through the Audit Committee.

Corporate governance functions

The Board is responsible for performing the following corporate governance duties as required under the Revised CG Code:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior officers of the Group;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the codes of conduct applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and the Revised CG Code and disclosure in this Corporate Governance Report.

於截至二零一二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3,078,000元（二零一一年：人民幣2,484,000元）、人民幣1,027,000元（二零一一年：人民幣1,324,000元）及人民幣9,000元（二零一一年：人民幣9,000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。於截至二零一二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。

企業管治職能

董事會有責任根據經修訂企業管治守則履行下列企業管治職責：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察本集團董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司遵守法定及監管規定的政策及慣例；
- (d) 制定、檢討及監察適用於僱員及董事的行為守則；及
- (e) 檢討本公司有否遵守企業管治守則及經修訂企業管治守則，以及審閱本企業管治報告中的披露資料。

During the period under review, the Board considered the following corporate governance matters:

- (i) review of the compliance with the CG Code and the Revised CG Code; and
- (ii) review of the effectiveness of the internal controls and risk management systems 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.

Notice of AGM, annual report, financial statements and related papers were posted to shareholders of the Company for their consideration at least 20 clear business days prior to the AGM. AGM proceedings of the Company are continually reviewed in the light of corporate governance best practices.

於回顧期間，董事會已考慮以下企業管治事宜：

- (i) 檢討有否遵守企業管治守則及經修訂企業管治守則；及
- (ii) 透過審核委員會檢討本集團的內部監控及風險管理系統的成效。

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。

股東週年大會通告、年報、財務報表及有關文件已於股東週年大會舉行前最少20個完整營業日寄予本公司股東，供彼等省覽。本公司股東週年大會程序會根據企業管治最佳常規持續檢討。

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CODE PROVISION E.1.2

Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Mr. Chen Zhi, who acts as the chairman of the Company, was not able to attend the annual general meeting of the Company held on 22 May 2012 due to other business commitments. Instead, Mr. Yu Shi Quan, the executive director of the Company was appointed as the chairman of the Company during the annual general meeting.

Shareholders' rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the Revised CG Code which is effective from 1 April 2012.

(a) Convening of general meeting on requisition by shareholders

General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

守則條文第E.1.2條

根據企業管治守則的守則條文第E.1.2條，董事會主席應出席股東週年大會，本公司主席陳志先生因處理其他業務關係，無法出席本公司於二零一二年五月二十二日舉行的股東週年大會。取而代之，本公司執行董事余詩權先生已於股東週年大會期間獲委任為本公司主席。

股東權利

以下載有根據由二零一二年四月一日起生效的經修訂企業管治守則第O段的強制性披露規定須予披露的本公司股東若干權利概要。

(a) 應股東要求召開股東大會

股東大會亦須在兩名或以上本公司股東向本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處送達書面要求的情況下召開，書面要求須列明大會目的，並由提出要求的人士簽署，惟提出要求的人士於遞交要求當日須持有有權於本公司股東大會上投票的本公司繳足股本不少於十分一。股東大會亦可在任何一名屬認可結算所的本公司股東（或其代名人）向本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處送達書面要求的情況下召開，書面要求須列明大會目的，並由提出要求的人士簽署，惟提出要求的人士於遞交要求當日須持有有權於本公司股東大會上投票的本公司繳足股本不少於十分一。

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(b) Procedures for putting forward proposals at a Shareholders' meeting

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Cayman Islands Companies Law (as amended from time to time) or the articles of association of the Company. However, Shareholders who wish to move a resolution may request the Company to convene an extraordinary general meeting following the procedures set out above.

Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

倘董事會未有於提交要求日期後21天內正式召開須於其後21天內舉行的大會，提出要求的人士或當中持有彼等總投票權過半的任何人士可自行以與董事會召開大會同樣的方式（盡可能相近）召開股東大會，惟如此召開的大會不可遲於提交要求當日起三個月後召開，而提出要求的人士因董事會未能完成有關要求而涉及的所有合理開支，將由本公司向彼等作出補償。

(b) 於股東大會上提呈議案的程序

開曼群島公司法（經不時修訂）或本公司組織章程細則並無容許股東於股東大會上動議新決議案的條文。然而，股東如欲動議決議案，可按上文所載程序要求本公司召開股東特別大會。

股東提名任何人士參選董事之詳細程序可於本公司網站查閱。

Corporate Governance Report

企業管治報告

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

Constitutional documents

During the period under review, there had been no significant change in the Company's constitutional documents.

(c) 向董事會查詢

股東可以書面形式向董事會作出查詢，有關查詢應送遞至本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處，並列明查詢事項。

憲章文件

於回顧期間，本公司的憲章文件並無重大變動。



羅兵咸永道

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 86 to 228, which comprise the consolidated and company balance sheets as at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致十方控股有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第86至228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二零一二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提出意見。我們已根據國際審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在任何重大錯誤陳述。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

Independent Auditor's Report 獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss 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, 26 March 2013

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 貴集團於二零一二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虧損及現金流量，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，二零一三年三月二十六日

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2012

於二零一二年十二月三十一日

		Note	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	7	60,045	61,359
Investment properties	投資物業	8	–	1,975
Intangible assets	無形資產	9	37,957	52,307
Available-for-sales investment	可供出售投資	10	75,134	–
Interest in associates	於聯營公司的權益	11	60,162	40,393
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	13	431,250	447,500
			664,548	603,534
Current assets	流動資產			
Inventories	存貨	15	7,900	8,245
Assets held for sale	持作出售資產	14	44,969	29,336
Trade receivables – net	貿易應收款項－淨額	12	206,478	259,669
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	13	309,851	294,649
Amounts due from related parties	應收關連人士款項	35(c)	8,900	4,829
Restricted cash	受限制現金	17	12,890	–
Cash and cash equivalents	現金及現金等值項目	16	53,435	214,377
			644,423	811,105
Total assets	總資產		1,308,971	1,414,639
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	22	72,687	62,863
Share premium	股份溢價	22	556,440	530,900
Other reserves	其他儲備	23	110,813	104,017
Retained earnings	保留溢利		278,891	421,265
			1,018,831	1,119,045
Non-controlling interests	非控股權益		43,174	37,005
Total equity	權益總額		1,062,005	1,156,050

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2012

於二零一二年十二月三十一日

		Note	2012	2011
		附註	二零一二年	二零一一年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Liabilities	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	19	–	1,006
Amount due to a related party	應付一名關連人士款項	35(c)	51,441	68,600
Deferred income tax liabilities	遞延所得稅負債	21	4,777	7,397
			56,218	77,003
Current liabilities	流動負債			
Trade payables	貿易應付款項	20	5,644	4,147
Other payables and accrued expenses	其他應付款項及應計開支	20	96,598	86,668
Current income tax liabilities	即期所得稅負債		42,908	40,967
Borrowings	借款	19	44,539	48,522
Amounts due to related parties	應付關連人士款項	35(c)	1,059	1,282
			190,748	181,586
Total liabilities	總負債		246,966	258,589
Total equity and liabilities	權益及負債總額		1,308,971	1,414,639
Net current assets	流動資產淨值		453,675	629,519
Total assets less current liabilities	總資產減流動負債		1,118,223	1,233,053

Approved and authorised for issue by the Board of Directors on 26 March 2013 and signed on behalf of the Board by:

經董事會於二零一三年三月二十六日批准並授權刊發，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 93 to 228 are an integral part of these financial statements.

第93至228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 2012

於二零一二年十二月三十一日

		Note	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	24	<u>5,118</u>	<u>5,118</u>
			<u>5,118</u>	<u>5,118</u>
Current assets	流動資產			
Prepayment and other receivables	預付款項及其他應收款項	13	<u>26,789</u>	<u>26,789</u>
Amounts due from subsidiaries	應收附屬公司款項	25	<u>721,314</u>	<u>662,497</u>
Cash and cash equivalents	現金及現金等值項目	16	<u>372</u>	<u>1,675</u>
			<u>748,475</u>	<u>690,961</u>
Total assets	總資產		<u>753,593</u>	<u>696,079</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	22	<u>72,687</u>	<u>62,863</u>
Share premium	股份溢價	22	<u>556,440</u>	<u>530,900</u>
Equity-based compensation reserve	以股權為基礎的薪酬儲備	23	<u>12,986</u>	<u>10,624</u>
Accumulated deficits	累計虧絀	23	<u>(27,940)</u>	<u>(19,238)</u>
			<u>614,173</u>	<u>585,149</u>
Total equity	權益總額		<u>614,173</u>	<u>585,149</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	20	<u>28,528</u>	<u>27,710</u>
Amounts due to subsidiaries	應付附屬公司款項	25	<u>110,892</u>	<u>83,220</u>
			<u>139,420</u>	<u>110,930</u>
Total liabilities	總負債		<u>139,420</u>	<u>110,930</u>

Balance Sheet

資產負債表

As at 31 December 2012

於二零一二年十二月三十一日

		2012	2011
		二零一二年	二零一一年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Total equity and liabilities	權益及負債總額	753,593	696,079
Net current assets	流動資產淨值	609,055	580,031
Total assets less current liabilities	總資產減流動負債	614,173	585,149

Approved and authorised for issue by the Board of Directors on 26 March 2013 and signed on behalf of the Board by:

經董事會於二零一三年三月二十六日批准並授權刊發，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 93 to 228 are an integral part of these financial statements.

第93至228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 2012

截至二零一二年十二月三十一日止年度

		Note	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
		附註		
Revenues	收入	5	377,242	529,034
Cost of sales	銷售成本	27	(265,367)	(262,729)
Gross profit	毛利		111,875	266,305
Selling and marketing expenses	銷售及營銷開支	27	(38,405)	(38,049)
General and administrative expenses	一般及行政開支	27	(207,910)	(156,292)
Other gain	其他收益	26	12,060	–
Other income	其他收入	26	9,468	10,077
Operating (loss)/profit	經營(虧損)/溢利		(112,912)	82,041
Finance income	融資收益	29	1,518	2,472
Finance costs	融資成本	29	(3,218)	(1,687)
Finance (costs)/income – net	融資(成本)/收益–淨額	29	(1,700)	785
Share of profit/(loss) of associates	應佔聯營公司溢利/(虧損)	11	501	(307)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		(114,111)	82,519
Income tax expenses	所得稅開支	30	(16,261)	(23,498)
(Loss)/profit for the year	年內(虧損)/溢利		(130,372)	59,021
Other comprehensive income	其他全面收益		–	–
– Revaluation surplus	– 重估盈餘		–	–
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額		(130,372)	59,021
(Loss)/profit attributable to:	以下各項應佔(虧損)/溢利:			
– Equity holders of the Company	– 本公司權益持有人		(137,940)	52,978
– Non-controlling interests	– 非控股權益		7,568	6,043
			(130,372)	59,021
Total comprehensive (loss)/income attributable to:	以下各項應佔全面(虧損)/收益總額:			
– Equity holders of the Company	– 本公司權益持有人		(137,940)	52,978
– Non-controlling interests	– 非控股權益		7,568	6,043
			(130,372)	59,021
(Loss)/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(虧損)/溢利			
– Basic (RMB per share)	– 基本(每股人民幣)	31	(0.1799)	0.0727
– Diluted (RMB per share)	– 攤薄(每股人民幣)	31	(0.1799)	0.0727
Dividend	股息	32	–	–

The notes on pages 93 to 228 are an integral part of these financial statements.

第93至228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 2012
截至二零一二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 reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	資本儲備	重估儲備	以股權為基礎的薪酬儲備	法定儲備	保留溢利	總計	非控股權益	權益總額
		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 2012	於二零一二年一月一日的結餘	62,863	530,900	997	60,454	919	10,624	31,023	421,265	1,119,045	37,005	1,156,050
Comprehensive income	全面收益											
(Loss)/profit for the year	年內(虧損)/溢利	-	-	-	-	-	-	-	(137,940)	(137,940)	7,568	(130,372)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	-	(137,940)	(137,940)	7,568	(130,372)
Transactions with owners	與擁有人的交易											
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	-	-	-	4,434	(4,434)	-	-	-
Issue of ordinary shares for acquisition of an associate (Note 22(c))	就收購一間聯營公司發行普通股(附註22(c))	9,824	25,540	-	-	-	-	-	-	35,364	-	35,364
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	1,133	1,133
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	-	-	(2,532)	(2,532)
Equity-based compensation	以股權為基礎的薪酬	-	-	-	-	-	2,362	-	-	2,362	-	2,362
Total transactions with owners	與擁有人的交易總額	9,824	25,540	-	-	-	2,362	4,434	(4,434)	37,726	(1,399)	36,327
Balance at 31 December 2012	於二零一二年十二月三十一日的結餘	72,687	556,440	997	60,454	919	12,986	35,457	278,891	1,018,831	43,174	1,062,005

		Share capital	Share premium	Capital redemption reserve	Capital reserves	Revaluation reserve	Equity-based compensation reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	資本儲備	重估儲備	以股權為基礎的薪酬儲備	法定儲備	保留溢利	總計	非控股權益	權益總額
		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)	-	-	-
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	30,490	30,490
Equity-based compensation	以股權為基礎的薪酬	-	-	-	-	-	5,361	-	-	5,361	-	5,361
Repurchase and cancellation of shares	購回及註銷股份	(997)	(9,411)	997	-	-	-	-	(997)	(10,408)	-	(10,408)
Total transactions with owners	與擁有人的交易總額	(997)	(9,411)	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

The notes on pages 93 to 228 are an integral part of these financial statements.

第93至228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 2012

截至二零一二年十二月三十一日止年度

	Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash flows from operating activities			
Cash (used in)/generated from operations	33(a)	(42,715)	22,628
Interest received	29	1,518	2,472
Interest paid	29	(3,218)	(1,687)
Income tax paid		(16,940)	(18,955)
Net cash (used in)/generated from operating activities		(61,355)	4,458
Cash flows from investing activities			
Prepayment for long term investments	13	-	(75,000)
Acquisition of a business	9	-	(40,000)
Disposal of a subsidiary net of cash		(5,153)	-
Investment in associates	11	(125,330)	(40,700)
Proceeds from disposal of investment in an associate	11	77,928	-
Prepayment for outdoor advertising projects	13	(19,326)	-
Additions of property, plant and equipment	7	(6,595)	(18,806)
Additions of intangible assets	9	(166)	(8,575)
Deposits to newspaper publishers and for marketing and promotion projects	13	(17,500)	(208,750)
Return of deposits from a marketing and promotion project	13	17,500	8,750
Proceeds from disposal of property, plant and equipment	33(b)	70	154
Net cash used in investing activities		(78,572)	(382,927)
Cash flows from financing activities			
Repurchase of shares of the Company	22(a)	-	(10,408)
Proceeds from borrowings		88,000	47,000
Repayment of borrowings		(92,989)	(52,079)
Advance from a related party		-	68,600
Capital contribution from non-controlling interests		1,133	30,016
Repayment of advance from a related party		(17,159)	-
Payments for share issuance costs		-	(36,284)
Net cash (used in)/generated from financing activities		(21,015)	46,845
Net decrease in cash and cash equivalents		(160,942)	(331,624)
Cash and cash equivalents at beginning of the year	16	214,377	546,001
Cash and cash equivalents at end of the year		53,435	214,377

The notes on pages 93 to 228 are an integral part of these financial statements.

第93至228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 26 March 2013.

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”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset.

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二零一三年三月二十六日批准刊發。

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」)編製。合併財務報表乃按歷史成本法編製，並已就可供出售金融資產重估作出修改。

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 IFRS 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.

2.1.1 Going concern

During the year ended 31 December 2012, the Group reported a loss for the year of RMB130,372,000 and net operating cash outflow of RMB61,355,000. The Group's cash and cash equivalents has also reduced by RMB160,942,000 to RMB53,435,000 as at 31 December 2012. In addition, the Group has borrowings of RMB44,539,000 that will be due within twelve months from 31 December 2012. Notwithstanding the above, the consolidated financial statements are prepared 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。

2.1.1 持續經營

於截至二零一二年十二月三十一日止年度，本集團錄得年內虧損人民幣130,372,000元及經營現金流出淨額人民幣61,355,000元。本集團的現金及現金等值項目亦減少人民幣160,942,000元至二零一二年十二月三十一日的人民幣53,435,000元。此外，本集團有人民幣44,539,000元的借款將於二零一二年十二月三十一日起計十二個月內到期。儘管出現上述情況，合併財務報表乃按持續經營基準編製。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Going concern (continued)

In order to strengthen the Group's financial position, management has implemented measures to control operating costs and to tighten capital expenditure and investment policies to improve the Group's cash flows. The board of directors of the Company has reviewed the Group's cash flow projections prepared by management. The projections cover a period of twelve months from the date of approval of these consolidated financial statements. The projections make key assumptions with regards to the anticipated cash flows from the Group's operations and availability of future borrowing facilities, including the renewal of existing borrowings. Based on these cash flow projections, the Group will have sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due. The Group's ability to achieve the projected cash flows depends on management's ability to successfully implement initiatives to improve the Group's cash flows, including measures to control and contain capital expenditure, investments in new businesses and corporate overheads, collect repayments of deposits for marketing and promotion projects according to agreed schedule, expedite receipt of cash from customers to settle trade receivables, and the successful renewal of existing borrowings upon their due dates.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 持續經營 (續)

為加強本集團的財務狀況，管理層已採取多項措施控制經營成本及收緊資本開支，並實行投資政策以改善本集團的現金流量。本公司董事會已審閱管理層所編製的本集團現金流量預測。該等預測涵蓋由批准此等合併財務報表日期起計十二個月的期間。該等預測對本集團的預期經營現金流量以及未來借款融資（包括續新現有借款）的可動用情況作出重大假設。根據此等現金流量預測，本集團未來十二個月將具備充足財務資源履行到期的財務責任。本集團能否達致預測現金流量，取決於管理層成功實施改善本集團現金流量措施的能力，包括控制及約束資本開支、新業務投資和公司總部費用的措施、根據協定付款時間表收回就營銷及宣傳項目作出的按金還款、及時收取客戶結算貿易應收款項的現金，以及於現有借款到期時成功磋商續新該等借款。

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)

2.1.1 Going concern (continued)

The directors, after making due enquiries and considering the basis of management's projections described above and after taking into account the reasonably possible changes in the operational performance, believe that there will be sufficient financial resources available to the Group at least in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2.1.2 Changes in accounting policy and disclosures

(a) *New and amended standards effective in 2012*

The Group has adopted the following amended standards for the accounting periods beginning on or after 1 January 2012:

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 持續經營 (續)

經詳細查詢，考慮到上述管理層進行預測的基準，並計及營運表現的合理可能變動後，董事相信本集團將具備足夠財務資源供其未來最少十二個月使用，以履行其到期的財務責任。因此，董事認為按持續經營基準編製合併財務報表乃屬適當。

2.1.2 會計政策及披露事項的變動

(a) 於二零一二年生效的新訂及經修訂準則

本集團已就二零一二年一月一日或之後開始的會計期間採納下列經修訂準則：

國際財務報告準則 第7號(修訂本)	披露：金融資產轉讓
國際財務報告準則 第1號(修訂本)	嚴重惡性通貨膨脹和就首次採納者刪除固定日期
國際會計準則 第12號(修訂本)	遞延稅項－相關資產的收回

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

- (a) *New and amended standards effective in 2012 (continued)*

Amendment to IFRS 7, Disclosures – transfers of financial assets

These amendments are as part the IASBs comprehensive review of off balance sheet activities. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 會計政策及披露事項的變動 (續)

- (a) 於二零一二年生效的新訂及經修訂準則 (續)

國際財務報告準則第7號「披露－金融資產轉讓」的修訂本

此等修訂本乃國際會計準則委員會對資產負債表外業務活動全面審查的部分內容。有關修訂本提高了轉讓交易申報的透明度，並有助於使用者了解金融資產轉讓的風險以及該等風險對實體財務狀況的影響，尤其是涉及金融資產證券化的風險。

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)

2.1.2 Changes in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2012 (continued)*

Amendment to IFRS 1, Severe hyperinflation and removal of fixed dates for first-time adopters

The first amendment replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 會計政策及披露事項的變動 (續)

(a) 於二零一二年生效的新訂及經修訂準則 (續)

國際財務報告準則第1號「嚴重惡性通貨膨脹和就首次採納者刪除固定日期」的修訂本

第一項修訂本以「過渡至國際財務報告準則的日期」取代對固定日期「二零零四年一月一日」的提述，從而消除首次採納國際財務報告準則的公司對在過渡至國際財務報告準則的日期前發生的終止確認交易重新呈述的需要。第二項修訂本則提供指引，說明實體如其功能貨幣受嚴重惡性通貨膨脹影響而在一段時期無法遵守國際財務報告準則後，應如何重新根據國際財務報告準則呈報財務報表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

(a) *New and amended standards effective in 2012 (continued)*

Amendment to IAS 12, Deferred tax – recovery of underlying assets

Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes–recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 會計政策及披露事項的變動 (續)

(a) 於二零一二年生效的新訂及經修訂準則 (續)

國際會計準則第12號「遞延稅項—相關資產的收回」的修訂本

目前，國際會計準則第12號「所得稅」規定實體視乎實體是否預期可藉使用或出售收回該資產的賬面值而計算與資產相關的遞延稅項。當根據國際會計準則第40號「投資物業」使用公允價值模型計算資產時，評估是以使用或以出售的方式進行收回會相當困難和流於主觀。為此，此項修訂本引入了按公允價值計算的投資物業所產生遞延稅項資產或負債的現有計算原則的例外情況。基於上述修訂本，常設解釋委員會解釋公告第21號「所得稅—經重估非折舊資產的收回」將不再適用於按公允價值入賬的投資物業。此等修訂本亦將常設解釋委員會解釋公告第21號先前所包含的其餘指引（現已相應撤回）納入國際會計準則第12號。

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)

2.1.2 Changes in accounting policy and disclosures (continued)

- (a) *New and amended standards effective in 2012 (continued)*

Amendment to IAS 12, Deferred tax – recovery of underlying assets (continued)

The adoption of these new and revised IFRSs has not led to any significant changes in the accounting policies applied in these consolidated financial statements, and has no material effect on the Group's results and financial position for the current or prior accounting periods reflected in these consolidated financial statements.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 會計政策及披露事項的變動 (續)

- (a) 於二零一二年生效的新訂及經修訂準則 (續)

國際會計準則第12號「遞延稅項－相關資產的收回」的修訂本 (續)

採納上述新訂及經修訂國際財務準則並無引致此等合併財務報表所採用的會計政策出現任何重大變動，亦無對在此等合併財務報表所反映的本集團本期或過往會計期間的業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.2 Changes 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 2013 or later periods, and the Group has not early adopted.

IFRSs (amendment)	Improvements to IFRSs 2011
IFRS 1 (amendment)	Government loans
IFRS 7 (amendment)	Disclosures – offsetting financial assets and financial liabilities
IFRS 7 (amendment)	Mandatory effective date of IFRS 9 and transition disclosures
IFRS 9	Financial instruments
Additions to IFRS 9	Financial instruments – financial liabilities
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 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，須於二零一三年一月一日或之後開始的會計期間或其後期間強制採納，但本集團並未提早採納。

國際財務報告準則 (修訂本)	二零一一年國際 財務報告準則 的改進
國際財務報告準則 第1號(修訂本)	政府貸款
國際財務報告準則 第7號(修訂本)	披露一對銷金融 資產與金融 負債
國際財務報告準則 第7號(修訂本)	國際財務報告 準則第9號的 強制生效日期 及過渡期披露
國際財務報告準則 第9號	金融工具
國際財務報告準則 第9號附加條文	金融工具-金融 負債
國際財務報告準則 第10號	合併財務報表
國際財務報告準則 第11號	合營安排
國際財務報告準則 第12號	其他實體權益的 披露

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)

2.1.2 Changes 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 10, IFRS 11 and IFRS 12 (amendment)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
IFRS 10, IFRS 12 and IAS 27 (2011) (amendment)	Investment entities
IFRS 13	Fair value measurements
IAS 1 (amendment)	Presentation of financial statements
IAS 19 (2011)	Employee benefits
IAS 27 (2011)	Separate financial statements

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.2 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10號、國際財務報告準則第11號及國際財務報告準則第12號 (修訂本)	合併財務報表、合營安排及其他實體權益的披露：過渡期指引
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號 (二零一一年) (修訂本)	投資實體
國際財務報告準則第13號	公允價值計量
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19號 (二零一一年)	僱員福利
國際會計準則第27號 (二零一一年)	獨立財務報表

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)

2.1.2 Changes 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)*

IAS 28 (2011)	Investments in associates and joint ventures
IAS 32 (amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
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)

2.1.2 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)*

國際會計準則 第28號 (二零一一年)	於聯營公司及 合營公司的 投資
國際會計準則 第32號 (修訂本)	金融工具： 呈列－對銷 金融資產與 金融負債
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本的影響，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本會否對其經營業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 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 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.

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。

實際控制權可在其並非持有超過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等情況下產生。

附屬公司自控制權轉讓予本集團當日起全面合併入賬,並自該項控制權終止當日起終止合併入賬。

公司間的交易、結餘及集團公司之間交易的收支已對銷。於資產確認的公司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已作必要更改,以確保與本集團所採納政策貫徹一致。

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，確認於被收購方的任何非控股權益。

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，則差額於損益賬內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements (continued)

(a) Subsidiaries (continued)

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. 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.

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)

出售附屬公司

本集團失去控制權時，於實體的任何保留權益將按失去控制權當日的公允價值重新計量，有關賬面值變動在損益賬內確認。就其後入賬列作聯營公司、合資企業或金融資產的保留權益，其公允價值為初始賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這可能意味着先前在其他全面收益內確認的金額重新分類至損益賬。

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。

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 (continued)

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 (續)

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、結餘及集團公司之間交易的未變現收益已對銷。未變現虧損亦已對銷。

附屬公司的會計政策已作必要更改，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 separate contractual agreements with Beijing HongXinTu and BaiChuanDuKe (together, the “Structural Agreements”), where Fujian ShiFang provides consulting services to Beijing HongXinTu and BaiChuanDuKe and is entitled to (1) receive a substantial portion of the economic benefits from Beijing HongXinTu and BaiChuanDuKe; (2) exercise effective control over Beijing HongXinTu and BaiChuanDuKe, and (3) have an exclusive option to purchase all or part of the equity interests in Beijing HongXinTu and BaiChuanDuKe when and to the extent permitted by the PRC laws. By virtue of the contractual arrangements, Beijing HongXinTu and BaiChuanDuKe are SPEs and deemed as subsidiaries 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分別與北京鴻馨圖及百傳讀客訂立合約性協議（統稱「架構協議」），據此，福建十方向北京鴻馨圖及百傳讀客提供諮詢服務，並有權(1)收取來自北京鴻馨圖及百傳讀客的大部分經濟利益；(2)對北京鴻馨圖及百傳讀客實施有效控制；及(3)在中國法律允許的情況下，擁有購買北京鴻馨圖及百傳讀客全部或部分股權的獨家期權。根據合約性安排，北京鴻馨圖及百傳讀客為特殊目的實體，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，北京鴻馨圖及百傳讀客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 the results, assets and liabilities of Beijing HongXinTu and BaiChuanDuKe 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及百傳讀客的業績、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.

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.

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。

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期）各合併實體或業務的業績。

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 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.

(d) Transactions with non-controlling interest

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

2 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)

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。

公司間的交易、結餘及合併實體或業務之間交易的未變現收益已對銷。未變現虧損亦已對銷，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納政策貫徹一致。

(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收購，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。出售非控股權益的收益或虧損亦記錄在權益中。

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

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.

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.

2 主要會計政策概要 (續)

2.2 合併財務報表 (續)

(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。本集團於聯營公司的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）。

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。當本集團應佔聯營公司虧損等於或超過其佔聯營公司的權益（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。

2 SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

2.2 Consolidated Financial Statements
(continued)

(e) Associates (continued)

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 associates' in the income statement.

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 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「應佔聯營公司溢利／（虧損）」確認有關金額。

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。未變現虧損已對銷，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納政策貫徹一致。

於聯營公司的投資所產生攤薄收益及虧損於收益表確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, 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.

2.4 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.

2 主要會計政策概要 (續)

2.3 分類報告

經營分類按與向主要營運決策人(「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，被認定為負責作出策略決定的董事會(「董事會」)。

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。

2 SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

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'.

(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 in other comprehensive income.

2 主要會計政策概要 (續)

2.4 外幣換算 (續)

(b) 交易及結餘 (續)

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。

(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) 所產生的所有匯兌差額均於其他全面收益內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

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

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 主要會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

合併賬目時，換算海外業務淨投資及借款所產生匯兌差額均被當作股東權益。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內確認作出售收益或虧損一部分。

2.5 物業、廠房及設備

物業、廠房及設備按過往成本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自全面收益表扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

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

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

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

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

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

2 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

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

樓宇	40年
租賃物業裝修	5至10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，並在適當時作出調整。

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

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

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

Property that is held for long-term rental yields and is not occupied by the Group is classified as investment property. Land held under operating leases 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)

2.6 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，則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。

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。商譽按經營分類層面監督。

商譽會每年進行減值檢討，或當有事件出現或情況轉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，可收回金額為使用價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 years.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate over the expected life of the customer relationship of three 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。經業務合併購入的商標及特許權按於收購當日的公允價值確認。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年攤分計算。

合約客戶關係

經業務合併獲得的合約客戶關係按收購當日的公允價值確認。合約客戶關係具有有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法於客戶關係的預計年期三年攤分計算。

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 computer software and web site so that they will be available for use;
- Management intends to complete the computer software and web site, and use or sell them;
- There is an ability to use or sell the computer software and web site;
- It can be demonstrated how the computer 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 their 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開支。直接歸屬於設計及測試由本集團控制的可識別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：

- 於完成電腦軟件及網站使其可供使用方面，屬技術上可行的；
- 管理層有完成該電腦軟件及網站並使用或將其出售的意圖；
- 有使用或出售該電腦軟件及網站的能力；
- 能顯示該電腦軟件及網站將可能產生未來經濟利益；
- 有足夠的技術、財務及其他資源完成開發及使用或出售該電腦軟件及網站；及
- 能可靠計量開發該電腦軟件及網站應佔的支出。

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 computer 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.

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 three 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 recognised as an expense 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)

資本化為電腦軟件及網站成本一部分的直接應佔成本包括參與開發的僱員成本。

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

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往後開支，僅於與其相關的特定資產所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確認為開支。

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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Assets held for sale

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

2 主要會計政策概要 (續)

2.8 非金融資產減值

須攤銷的資產會於出現顯示賬面值可能無法收回的事件或情況轉變時檢討有否減值。當資產賬面值高於可收回金額時，會將差額確認為減值虧損。可收回金額即資產公允價值扣除銷售成本後的數額與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其能否撥回減值。

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

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *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 the amounts that are settled or expected to be settled more 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', 'Restricted cash' 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)

2.10 金融資產

2.10.1 分類

本集團將其金融資產作以下分類：貸款及應收款項以及可供出售金融資產。有關分類乃視乎購入金融資產的目的而定。管理層於初步確認金融資產時釐定其分類。

(a) *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，但於或預期於報告期末起計超過十二個月結算的款項，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」、「受限制現金」及「現金及現金等值項目」（附註2.13及2.14）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

2.10.1 Classification (continued)

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period

2.10.2 Recognition and measurement

Regular way 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.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.10 金融資產 (續)

2.10.1 分類 (續)

(b) *可供出售金融資產*

可供出售金融資產為被指定為此類別或並未歸入任何其他類別的非衍生工具。除非有關投資於報告期末起計十二個月內到期或管理層擬於該期間出售有關投資，否則該等資產計入非流動資產。

2.10.2 確認及計量

正常的金融資產買賣於交易日確認，即本集團承諾購買或出售資產當日。所有並非按公允價值計入損益賬的金融資產投資初步按公允價值加交易成本確認。

當自投資收取現金流量的權利屆滿或已轉讓而本集團已轉讓擁有權絕大部分風險及回報時，金融資產會被終止確認。可供出售金融資產其後按公允價值列賬。貸款及應收款項隨後採用實際利率法按攤銷成本列賬。

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

(a) Assets carried at amortised cost

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;

2 主要會計政策概要 (續)

2.11 金融資產減值

(a) 按攤銷成本列賬的資產

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;

2 SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

(a) Assets carried at amortised cost
(continued)

- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- 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.

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

(a) 按攤銷成本列賬的資產
(續)

- 因與借款人的財政困難相關的經濟或法律原因，本集團給予借款人在一般情況下貸款人不會考慮的優惠條件；
- 借款人有可能破產或進行其他財務重組；
- 財政困難導致該金融資產的活躍市場消失；或
- 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國家或地區經濟狀況。

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)

(a) Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists.

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

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)

(a) 按攤銷成本列賬的資產 (續)

本集團首先評估是否存在減值的客觀證據。

虧損金額按資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值(不包括尚未產生的未來信貸虧損)之間的差額計量。資產賬面值會予以削減,而虧損金額會於全面收益表內確認。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有客觀關連(例如債務人信貸評級改善),則於全面收益表內確認過往已確認的減值虧損撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

2.12 Inventories

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

2 主要會計政策概要 (續)

2.11 金融資產減值 (續)

(b) 歸入可供出售類別的資產

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。就歸入可供出售類別的權益投資而言，證券公允價值的重大或持續下跌至低於其成本亦為資產出現減值的憑證。倘存在證據顯示可供出售金融資產出現減值，則其累計虧損（收購成本與當前公允價值之間的差額）減除該金融資產以往於損益賬內確認的任何減值虧損會於權益撤銷，並於損益賬內確認。於合併全面收益表內確認的權益工具減值虧損不會透過合併全面收益表撥回。

2.12 存貨

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

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Trade and other receivables

Trade 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

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

2.15 Share capital

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

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 the Company's equity holders.

2 主要會計政策概要 (續)

2.13 貿易及其他應收款項

貿易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

在合併現金流量表,現金及現金等值項目包括手頭現金及原定於三個月或以內到期的銀行活期存款。

2.15 股本

普通股歸類為權益。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扣減項目(扣除稅項)。

倘任何集團公司購買本公司的權益股本(庫存股份),則所繳付代價(包括任何扣除所得稅的直接應佔遞增成本)會自本公司擁有人應佔權益扣除,直至該等股份註銷或重新發行為止。倘該等普通股其後重新發行,則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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 non-current liabilities.

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

2.17 Borrowings

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

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

2.18 Current and deferred income tax

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

2 主要會計政策概要 (續)

2.16 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。

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)與贖回價值之間的任何差額於借款期間使用實際利率法在全面收益表內確認。

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十二個月,否則借款會分類為流動負債。

2.18 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項乃在全面收益表內確認,惟涉及已於其他全面收益內確認或直接於權益內確認的項目則除外。在此情況下,有關稅項亦會分別於其他全面收益內或直接於權益內確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

(a) Current income tax

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.

(b) Deferred income tax

Inside basis differences

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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. 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.

2 主要會計政策概要 (續)

2.18 即期及遞延所得稅 (續)

(a) 即期所得稅

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所在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繳付的金額於適當時作出撥備。

(b) 遞延所得稅

內在差異

遞延所得稅乃以負債方法按照資產負債的稅基與於合併財務報表內兩者賬面值之間所產生的暫時差額確認。然而，倘遞延稅項負債因商譽經初步確認而產生，則不確認遞延稅項負債。倘遞延所得稅因一宗交易（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。

2 SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability 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.

(c) Offsetting

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)

(b) 遞延所得稅 (續)

外在差異

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，惟對於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的遞延所得稅負債則另作別論。

(c) 抵銷

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會互相抵銷。

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，本集團再無其他付款責任。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。

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 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。本集團於有合約責任或過往慣例產生推定責任時確認撥備。

(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 performance and service 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 performance and service 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
- 包括任何非歸屬條件的影響 (如挽留僱員的規定)。

非市場表現及服務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表現及服務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。

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. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

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會計入股本(面值)及股份溢價,並扣除任何直接應佔交易成本。本公司於購股權獲行使時發行新股份。所取的所得款項經扣除任何直接應佔交易成本後會計入股本(面值)及股份溢價。

2.20 撥備

當本集團因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。

撥備乃按採用稅前比率計算預期須就履行責任支付開支的現值計量,有關比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; when 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。本集團會根據其過往業績並考慮客戶類別、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。

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內確認。

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獨立呈列為其他收入。

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 or 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，於租期內按直線基準自全面收益表扣除。

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或董事（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 2012, the Group has cash deposit denominated in US dollar and HK dollar. If RMB had weakened/strengthened by 2% against US dollar with all other variables held constant, pre-tax results for the year ended 31 December 2012 would have been approximately RMB1,000 (2011: RMB7,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of the US dollar denominated cash deposit. If RMB had weakened/strengthened by 2% against HK dollar with all other variables held constant, pre-tax results for the year ended 31 December 2012 would have been approximately RMB10,000 (2011: RMB36,000) higher/lower, mainly as a result of foreign exchange gain/losses 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。

於二零一二年十二月三十一日，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%，截至二零一二年十二月三十一日止年度的稅前業績會上升／下降約人民幣1,000元（二零一一年：人民幣7,000元），此乃主要由於換算以美元計值的現金存款的外匯收益／虧損所致。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%，截至二零一二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10,000元（二零一一年：人民幣36,000元），此乃主要由於外匯收益／虧損及換算以港元計值的現金存款所致。

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group's available-for-sale financial asset represents a holding of equities in another entity of which the equity instruments are unquoted and not traded in active markets. Hence, the Group is not exposed to any equity securities price risk or commodity price risk.

The available-for-sale financial asset is held for strategic rather than trading purpose. The Group does not actively trade this investment.

(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.

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

本集團的可供出售金融資產指持有另一實體的權益，而該實體的權益工具並無在活躍市場報價或買賣。因此，本集團並無面對任何股本證券價格風險或商品價格風險。

本集團持有可供出售金融資產乃出於策略考慮而非交易目的。本集團並無積極買賣此項投資。

(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。

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 2012, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's pre-tax loss for the year ended 31 December 2012, would have been RMB445,000 higher/lower (2011: RMB495,000 lower/higher the Group's pre-tax profit), mainly as a result of higher/lower interest expense on the borrowings.

Compared to 31 December 2011, there was no material change in the interest-bearing borrowings of the Group other than the repayment of short-term borrowings in amount of RMB92,989,000.

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存置／尚未償還而編製。

於二零一二年十二月三十一日，倘利率上升／下降100個基點，而所有其他變數維持不變，本集團截至二零一二年十二月三十一日止年度的稅前虧損將增加／減少人民幣445,000元（二零一一年：本集團稅前溢利減少／增加人民幣495,000元），主要是由於借款的利息開支增加／減少所致。

與二零一一年十二月三十一日相比，除償還為數人民幣92,989,000元的短期借款外，本集團的計息借款並無重大變動。

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, restricted cash, and 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

信貸風險按組別基準管理。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、受限制現金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、並無知名品牌的外省客戶、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。有關內部信貸評級乃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，則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。

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 2012, 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 12. Determining the allowance involves significant management judgements 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.

Receivables that were past due but not impaired relates to a number of independent customers with satisfactory repayment history and no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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。於截至二零一二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12。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賬。

已逾期但未減值的應收款項乃與多名還款紀錄良好及近期並無違約紀錄的獨立客戶有關。由於信貸質素並無重大變動及結餘仍然被視為可以完全收回,故根據過往經驗,管理層認為並無必要就該等結餘作出減值撥備。

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's cash (including restricted cash) and bank deposits are entered into 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.

In relation to the deposits and other receivables, the credit quality of the debtors 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 other receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the default by counterparties is low in general.

(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.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團的現金(包括受限制現金)及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。

就按金及其他應收款項而言,債務人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。管理層亦會定期檢討該等按金及其他應收款項的可收回性,並跟進糾紛或欠款金額(如有)。董事認為對方違約風險整體甚微。

(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,以維持充足的現金,並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。

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)

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 over 12 months equal their carrying balances, as the impact of discounting is not significant.

Group

		Less than 1 year 一年以內 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2012	於二零一二年 十二月三十一日			
Trade and other payables	貿易及其他應付款項	52,483	-	52,483
Borrowings	借款	46,277	-	46,277
Amounts due to directors	應付董事款項	1,059	-	1,059
Amounts due to a related party	應付一名關連人士款項	-	51,441	51,441
		<u>99,819</u>	<u>51,441</u>	<u>151,260</u>
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	-	44,098
Borrowings	借款	50,371	-	50,371
Amounts due to directors	應付董事款項	758	-	758
Amounts due to related parties	應付關連人士款項	524	68,600	69,124
		<u>95,751</u>	<u>68,600</u>	<u>164,351</u>

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

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。由於貼現的影響不大，於12個月後到期的結餘相等於其賬面結餘。

本集團

		Less than 1 year 一年以內 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2012	於二零一二年 十二月三十一日			
Trade and other payables	貿易及其他應付款項	52,483	-	52,483
Borrowings	借款	46,277	-	46,277
Amounts due to directors	應付董事款項	1,059	-	1,059
Amounts due to a related party	應付一名關連人士款項	-	51,441	51,441
		<u>99,819</u>	<u>51,441</u>	<u>151,260</u>
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	-	44,098
Borrowings	借款	50,371	-	50,371
Amounts due to directors	應付董事款項	758	-	758
Amounts due to related parties	應付關連人士款項	524	68,600	69,124
		<u>95,751</u>	<u>68,600</u>	<u>164,351</u>

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)

Company

		本公司		
		Less than 1 year 一年以內 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2012	於二零一二年 十二月三十一日			
Other payables	其他應付款項	26,912	-	26,912
Amounts due to subsidiaries	應付附屬公司款項	110,892	-	110,892
		137,804	-	137,804
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	-	26,672
Amounts due to subsidiaries	應付附屬公司款項	83,220	-	83,220
		109,892	-	109,892

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)

(c) 流動資金風險 (續)

本公司

		Less than 1 year 一年以內 RMB'000 人民幣千元	Over 1 year 一年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2012	於二零一二年 十二月三十一日			
Other payables	其他應付款項	26,912	-	26,912
Amounts due to subsidiaries	應付附屬公司款項	110,892	-	110,892
		137,804	-	137,804
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	-	26,672
Amounts due to subsidiaries	應付附屬公司款項	83,220	-	83,220
		109,892	-	109,892

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 2012 and 2011 were as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Borrowings	借款	44,539	49,528
Amounts due to related parties	應付關連人士款項	-	157
Total borrowings	借款總額	<u>44,539</u>	<u>49,685</u>
Total assets	總資產	<u>1,308,971</u>	<u>1,414,639</u>
Gearing ratio	資產負債比率	<u>3.4%</u>	<u>3.5%</u>

Gearing ratio as at 31 December 2012 decreased as compared to 31 December 2011 primarily due to repayment of borrowings during the year.

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比率監察資本。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比率維持在40%以下。於二零一二年及二零一一年十二月三十一日的資產負債比率如下：

相比二零一一年十二月三十一日，資產負債比率於二零一二年十二月三十一日有所下跌，主要乃由於年內償還借款所致。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and cash equivalents, restricted cash, trade and other receivables, amounts due from related parties, trade and other payables, borrowings and amounts due to related parties.

The Group's available-for sale financial asset is measured at fair value, by valuation method. The Group classifies fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理 (續)

3.3 公允價值估計

以下金融資產及金融負債的賬面金額與其公允價值相若，此乃由於彼等均屬短期性質所致：現金及現金等值項目、受限制現金、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。

本集團的可供出售金融資產以估值方法按公允價值計量。本集團按下列公允價值計量架構等級劃分公允價值計量：

- 相同資產或負債在活躍市場的報價（未經調整）（第一級）。
- 納入第一級內的資產或負債的可直接（即按價格）或間接（即衍生自價格）觀察的輸入數據（惟報價除外）（第二級）。
- 非依據可觀察市場數據的資產或負債輸入數據（即不可觀察輸入數據）（第三級）。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2012 (2011: nil).

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		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
Assets	資產				
Available-for-sale financial assets	可供出售金融資產				
– Equity securities	– 股本證券	–	75,134	–	75,134
Total assets	總資產	–	75,134	–	75,134

The fair value of the available-for-sale financial asset as at 31 December 2012 is disclosed in Note 10. The financial asset is categorised in level 2 and its fair value is measured with reference to the transaction price from recent transaction for identical asset.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily DAX, FTSE 100 and Dow Jones equity investments classified as trading securities or available-for-sale.

3 財務風險管理 (續)

3.3 公允價值估計 (續)

下表呈列本集團於二零一二年十二月三十一日按公允價值計量的資產及負債(二零一一年:無)。

可供出售金融資產於二零一二年十二月三十一日的公允價值於附註10披露。金融資產劃入第二級,其公允價值經參考近期相同資產交易的交易價格後計量。

在活躍市場買賣的金融工具的公允價值,乃以年結日的市場報價為基礎。當報價可隨時和定期從證券交易所、交易商、經紀、業內人士、定價服務商或監管代理獲得,而該等報價代表按公平交易基準進行的實際和常規市場交易,則該市場被視為活躍市場。該等工具會計入第一級。計入第一級的工具主要包括歸入買賣證券或可供出售類別的德國DAX指數、英國富時100指數及道瓊斯指數的股本投資。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no significant transfers of financial assets amongst level 1, level 2 and level 3 fair value hierarchy classifications.

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.

3 財務風險管理 (續)

3.3 公允價值估計 (續)

並無於活躍市場買賣的金融工具(如場外衍生工具)的公允價值乃採用估值技術釐定。該等估值技術盡量採用可觀察市場數據(如有),並盡量不倚賴實體特定估算。倘計算工具公允價值所需的全部重大輸入數據可予觀察,則該工具計入第二級。

倘一項或多項重大輸入數據並非以可觀察市場數據為基礎,則該工具計入第三級。

第一級、第二級及第三級公允價值計量架構分類之間並無出現金融資產的重大轉移。

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(包括對相信日後在若干情況下屬合理的若干事件的期望)衡量估計及判斷。

本集團對未來作出估計及假設。顧名思義,所得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。

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(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.

(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 12.

4 關鍵會計估計及假設 (續)

(a) 易貨交易的收入確認

提供服務以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。有關易貨交易的收入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。所收取房地產物業的權利的公允價值無法可靠計量時, 收入將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。

(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。倘有任何事件出現或情況轉變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12。

Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(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.

The Group assesses material prepayments and deposits on a case-by-case basis to determine whether there is objective evidence that these assets are impaired. Management considers the counterparty's reputation, credit profile and the Group's ability to generate economic benefits from utilising the prepayments in the future in reviewing the assets for impairment. For those prepayments and deposits where objective evidence of impairment exists, the amount of impairment loss is measured as the difference between the carrying amounts of these assets and the present value of the estimate cash flows to be generated from utilisation of these assets discounted at the current market rate of similar assets.

Management considered that reasonably possible changes in the key assumptions on which the recoverable amount of the prepayments and deposits are based would not significantly affect the Group's financial position and results of operations.

(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.

4 關鍵會計估計及假設 (續)

(c) 預付款項及按金的可收回性

本集團已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，本集團亦就可能與若干報紙出版商成立共同控制實體支付預付款項。

本集團按個別情況評估重大預付款項及按金，以釐定是否有客觀證據顯示該等資產已減值。於檢討資產是否已減值時，管理層會考慮對方的信譽、信用、狀況及本集團透過於日後利用預付款項賺取經濟利益的能力。就已有客觀證據顯示減值的預付款項及按金，減值虧損金額按資產賬面值與利用該等資產將產生的估計現金流量按類似資產的現行市場利率貼現的現值之間的差額計量。

管理層認為，預付款項及按金可收回金額所依據的主要假設的合理可能變動不會對本集團的財務狀況及經營業績造成重大影響。

(d) 所得稅

本集團主要須在中國繳納所得稅。釐定所得稅撥備時須作出重大判斷。在日常業務過程中有許多交易及計算會導致難以明確作出最終的稅務釐定。倘有關事項最終的稅務結果與最初記入的金額不同，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。

4 CRITICAL ACCOUNTING ESTIMATES
AND ASSUMPTIONS (continued)

(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.

Reasonably possible changes in the key assumptions on which the recoverable amount of the assets is based would not significantly affect the Group’s financial position and results of operations.

4 關鍵會計估計及假設 (續)

(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方法釐定。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合理可能變動不會對本集團的財務狀況及經營業績造成重大影響。

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

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(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 judgement and is satisfied that the method of valuation is reflective of the current market condition.

(g) Contingent liabilities from on-going litigations

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技術，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力，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

本集團遵照國際會計準則第37號「撥備、或有負債及或有資產」的指引釐定應何時確認或有負債，而確認時須作出重大判斷。

當有可能產生責任，惟其存在與否須透過非本集團所能控制的未來事件確定；或當不可能計算責任所涉金額，則會披露或有負債。任何目前未有確認或披露的或有負債一旦實現，均可能對本集團的財務狀況造成重大影響。

4 CRITICAL ACCOUNTING ESTIMATES
AND ASSUMPTIONS (continued)

(g) Contingent liabilities from on-going
litigations (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 judgements do not reflect the actual outcome, this could materially affect the results for the period and the financial position. As at 31 December 2012, the Group has several major on-going litigations. The details of these litigations and the Group's assessment of the effect to the consolidated financial statements are disclosed in Note 38.

(h) Fair value of available-for-sale financial asset

The fair value of available-for-sale financial asset that is not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and market assumptions that are mainly based on market conditions existing at the end of each reporting period that reflect current market assessments of the uncertainty. The Group has measured the fair value of its available-for-sale investment with reference to the transaction price from recent transaction for identical asset. Changes in these estimates and assumptions could have a material effect on the fair value of the available-for-sale financial asset.

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)

本集團會審閱重大的待決訴訟，以評估是否有需要計提撥備。所考慮的因素包括訴訟的性質、損害賠償的法律程序及潛在水平、法律顧問的意見及見解以及管理層對回應訴訟的意向。倘估計及判決不能反映實際結果，則可能嚴重影響期內業績及財務狀況。於二零一二年十二月三十一日，本集團有數項主要的未了結訴訟。有關該等訴訟及本集團評估該等訴訟對合併財務報表的影響的詳情於附註38披露。

(h) 可供出售金融資產的公允價值

並無於活躍市場買賣的可供出售金融工具的公允價值乃採用估值技術釐定。本集團運用其判斷力選取多種方法及市場假設，而有關假設乃依據各報告期末的市況而定，以反映目前市場對不確定因素的評估。本集團計算其可供出售投資的公允價值時，已參考近期相同資產交易的交易價格。該等估計及假設如有變動，可對可供出售金融資產的公允價值造成重大影響。

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, television and radio advertising, and outdoor advertising services and activities. The amount of the Group's five largest customers in aggregate to the Group's total sales are RMB100,378,000 for the year ended 31 December 2012 (2011: RMB74,249,000).

5 收入

來自外部客戶的收入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、以及戶外廣告服務及活動。截至二零一二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100,378,000元（二零一一年：人民幣74,249,000元）。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Newspaper advertising	報紙廣告	256,399	387,105
Online services	網絡服務	11,089	53,431
Marketing, distribution management, consulting and printing services	營銷、分銷管理、諮詢及 印刷服務	107,608	88,053
Television and radio advertising	電視及電台廣告	2,146	445
		377,242	529,034

Notes to the Consolidated Financial Statements

合併財務報表附註

6 SEGMENT INFORMATION

The Board has been identified as the CODM. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance.

The CODM assesses the performance of the Group's publishing and advertising businesses from both geographic and product perspectives. From a product perspective, management takes into consideration of the economic benefits of publishing and advertising businesses as a whole when executing a centralised assessment of the performance as the CODM considers they are mutually dependent and inseparable. Geographically, management considers 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。管理層根據董事會分配資源及評估業績時審閱的資料釐定經營分類。

主要營運決策人從地域及產品角度評估本集團出版及廣告業務的表現。產品角度方面，由於主要營運決策人認為出版及廣告業務互相依賴及不可分割，故管理層在進行集中表現評估時，以總體考慮出版及廣告業務的經濟利益。地域方面，管理層認為本集團的出版及廣告業務活動均按照國際財務報告準則第8號「經營分類」計入單獨須呈報分類。因此，並無呈列分類資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP

7 物業、廠房及設備 – 本集團

		Land and Buildings	Leasehold improvement	Machinery	Fixture, furniture and equipment	Motor vehicles	Total
		土地及樓宇 RMB'000 人民幣千元	租賃物業裝修 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	裝置、 傢俬及設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日						
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 (Note 33(b))	出售(附註33(b))	–	–	–	–	(116)	(116)
Depreciation (Note 27)	折舊(附註27)	(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>
Year ended 31 December 2012	截至二零一二年 十二月三十一日止年度						
Opening net carrying amount	年初賬面淨額	1,630	9,030	29,524	5,467	15,708	61,359
Additions	添置	–	342	176	2,089	3,988	6,595
Transfer from Investment properties (Note 8)	轉撥自投資物業(附註8)	1,975	–	–	–	–	1,975
Disposals (Note 33(b))	出售(附註33(b))	–	–	–	(34)	(391)	(425)
Depreciation (Note 27)	折舊(附註27)	(43)	(934)	(4,561)	(1,785)	(2,136)	(9,459)
Closing net carrying amount	年末賬面淨額	<u>3,562</u>	<u>8,438</u>	<u>25,139</u>	<u>5,737</u>	<u>17,169</u>	<u>60,045</u>
At 31 December 2012	於二零一二年十二月三十一日						
Cost	成本	3,776	11,886	49,275	13,134	23,044	101,115
Accumulated depreciation	累計折舊	(214)	(3,448)	(24,136)	(7,397)	(5,875)	(41,070)
Net carrying amount	賬面淨額	<u>3,562</u>	<u>8,438</u>	<u>25,139</u>	<u>5,737</u>	<u>17,169</u>	<u>60,045</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 statement of comprehensive income as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost of sales	銷售成本	4,740	4,616
General and administrative expenses	一般及行政開支	4,719	4,030
Total	總計	9,459	8,646

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Held outside Hong Kong on:	於香港以外地方按以下方式持有：		
Lease term of 10-50 years	租期10至50年	1,975	–
Lease term of more than 50 years	租期50年以上	1,587	1,630
Total	總計	3,562	1,630

As at 31 December 2012, land and buildings with net book value of RMB1,975,000 (2011: nil) were pledged as collateral for the Group's bank borrowings (Notes 18 and 19).

Depreciation on land and buildings of RMB43,000 (2011: RMB43,000) for the year ended 31 December 2012 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全面收益表扣除：

本集團的土地及樓宇按其賬面金額分析如下：

於二零一二年十二月三十一日，賬面淨值人民幣1,975,000元（二零一一年：無）的土地及樓宇已抵押作為本集團銀行借款的抵押品（附註18及19）。

截至二零一二年十二月三十一日止年度，土地及樓宇折舊人民幣43,000元（二零一一年：人民幣43,000元）已於「一般及行政開支」扣除。

Notes to the Consolidated Financial Statements

合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

The recoverable amount of property, plant and equipment has been determined based on value in use calculations. These calculations use cash flow projection based on financial budgets approved by the Directors covering a 3-year period, and at a pre-tax discount rate of 13.6%. The cash flows beyond the 3-year period are extrapolated using a constant growth rate of 3%. The growth rate is based on the relevant industry growth forecasts in the PRC.

Based on the assessment made by the management, no provision for impairment on property, plant and equipment was required as at 31 December 2012.

8 INVESTMENT PROPERTIES – GROUP

7 物業、廠房及設備 – 本集團 (續)

物業、廠房及設備的可收回金額乃根據使用價值計算方法釐定。此等計算方法採用根據經董事批准的三年期財政預算所作現金流量預測，以及13.6%的稅前貼現率。三年期以後的現金流量則採用3%的固定增長率推算。此增長率乃以中國相關行業增長預測為基礎。

根據管理層所作評估，於二零一二年十二月三十一日毋須就物業、廠房及設備減值計提撥備。

8 投資物業 – 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At fair value:	按公允價值：		
At 1 January	於一月一日	1,975	1,817
Transfer to property, plant and equipment (Note 7)	撥入物業、廠房及設備 (附註7)	(1,975)	–
Net gain from fair value adjustment	公允價值調整收益淨額	–	158
At 31 December	於十二月三十一日	<u>–</u>	<u>1,975</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

8 INVESTMENT PROPERTIES – GROUP (continued)

The investment properties of carrying value of RMB1,975,000 were reclassified to property, plant and equipment due to the change in use of the properties evidenced by the expiry of operating lease for the Group's administrative purposes. The Group's interests in investment properties at their carrying amounts are analysed as follows:

In the PRC, held on:

Lease term 10-50 years

於中國按以下方式持有：

租期10至50年

2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
-	1,975

The Group obtains independent valuations 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.

8 投資物業－本集團（續）

賬面值人民幣1,975,000元的投資物業已重新歸入物業、廠房及設備類別，此乃由於為本集團行政目的改變物業用途所致，從經營租賃屆滿可作印證。本集團於投資物業的權益按賬面金額分析如下：

本集團至少每年就其投資物業獲得獨立估值。於各報告期末，董事更新對物業公允價值的評估，當中考慮了最近期的獨立估值。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	Non- compete agreement	Goodwill	Customer relationships	Trademark	Web site	Other intangible assets	Total
		電腦軟件	不競爭協議	商譽	客戶關係	商標	網站	其他無形 資產	總計
		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
At 1 January 2011	於二零一一年一月一日								
Cost	成本	2,587	-	-	-	-	3,106	-	5,693
Accumulated amortization	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	收購業務	770	11,500	12,573	14,500	9,400	400	-	49,143
Amortisation (Note 27)	攤銷(附註27)	(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>
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨額	1,999	8,944	12,573	11,520	8,586	7,893	792	52,307
Additions	添置	166	-	-	-	-	-	-	166
Amortisation (Note 27)	攤銷(附註27)	(591)	(3,834)	-	(5,970)	(1,221)	(2,400)	(500)	(14,516)
Closing net carrying amount	年末賬面淨額	<u>1,574</u>	<u>5,110</u>	<u>12,573</u>	<u>5,550</u>	<u>7,365</u>	<u>5,493</u>	<u>292</u>	<u>37,957</u>
At 31 December 2012	於二零一二年十二月三十一日								
Cost	成本	3,626	11,500	12,573	16,100	9,400	9,378	1,000	63,577
Accumulated amortisation	累計攤銷	(2,052)	(6,390)	-	(10,550)	(2,035)	(3,885)	(708)	(25,620)
Net carrying amount	賬面淨額	<u>1,574</u>	<u>5,110</u>	<u>12,573</u>	<u>5,550</u>	<u>7,365</u>	<u>5,493</u>	<u>292</u>	<u>37,957</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」扣除。

9 INTANGIBLE ASSETS – GROUP (continued)

Due to the acquisition of business from Fuzhou H-Brand Estate Marketing and Planning Company Limited (“Fuzhou H-Brand”) on 10 July 2011, the Group recognised intangible assets of RMB36,570,000, deferred tax liabilities of RMB9,143,000 and goodwill of RMB12,573,000, with total purchase consideration of RMB40,000,000 fully settled in cash during year ended 31 December 2011.

For the purpose of impairment testing, goodwill has been allocated to a cash generating unit, Fujian Haobang Real Estate Consulting & Agency Co. Ltd. (“Fujian Haobang”), a subsidiary of the Group. During the year ended 31 December 2012, management of the Group determined that the goodwill had not impaired. The basis of the recoverable amount of Fujian Haobang 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 3-year period, and at a pre-tax discount rate of 18.1%. The cash flows beyond the 3-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.

9 無形資產－本集團（續）

本集團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」）的業務，為此本集團確認無形資產人民幣36,570,000元、遞延稅項負債人民幣9,143,000元及商譽人民幣12,573,000元，總購買代價人民幣40,000,000元已於截至二零一一年十二月三十一日止年度內以現金悉數支付。

為進行減值測試，商譽已分配至本集團附屬公司福建好邦房產策劃代理有限公司（「福建好邦」）現金產生單位。於截至二零一二年十二月三十一日止年度內，本集團管理層確定商譽並無減值。下文概述福建好邦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。此計算方法採用根據經董事批准的三年期財政預算所作現金流量預測，以及18.1%的稅前貼現率。三年期以後的現金流量則採用3%的固定增長率推算。此增長率乃以中國相關行業增長預測為基礎。

Notes to the Consolidated Financial Statements

合併財務報表附註

10 AVAILABLE-FOR-SALE INVESTMENT

10 可供出售投資

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Unlisted shares, at fair value:	非上市股份，按公允價值：		
At 1 January	於一月一日	-	-
Transfer from interest in an associate (Note 11)	轉撥自於一間聯營公司的 權益（附註11）	63,325	-
Addition	添置	11,809	-
At 31 December	於十二月三十一日	75,134	-

On 5 June 2012, the Group disposed of 18.5% equity interest in Yunnan Handing Investment Co. Limited ("Yunnan Handing Investment") such that the Group's interest in Yunnan Handing Investment reduced from 33.5% to 15.0%. Management has determined that the Group ceased to have significant influence over Yunnan Handing Investment from the date of disposal as the Group's ability to participate in the financial and operating policies of Yunnan Handing Investment became very limited subsequent to the disposal. As a result, the Group derecognised the investment in associate and accounted for the remaining 15.0% equity interest in Yunnan Handing Investment as available-for-sale investment and measured at fair value. The Group recognised a gain in the amount of RMB11,636,000 from this partial disposal of interest in Yunnan Handing Investment during the year ended 31 December 2012 (Note 26).

In the second half year of 2012, Yunnan Handing Investment raised additional equity funding from its existing shareholders and the Group participated in the equity fund raising by contributing a further RMB11,809,000 into Yunnan Handing Investment.

As at 31 December 2012, the Group has less influence in Yunnan Handing Investment as its equity interest in it has been diluted to 11.7% as a result of additional equity contribution from other shareholders of Yunnan Handing Investment.

於二零一二年六月五日，本集團出售雲南漢鼎投資有限公司（「雲南漢鼎投資」）的18.5%股本權益，致使本集團於雲南漢鼎投資的權益由33.5%減至15.0%。管理層釐定，由於在出售後，本集團參與雲南漢鼎投資財務及經營政策的能力非常有限，故本集團由出售日期起不再對雲南漢鼎投資擁有重大影響力。因此，本集團不再確認於聯營公司的投資，並將於雲南漢鼎投資的餘下15.0%股本權益入賬列為可供出售投資，並按公允價值計量。於截至二零一二年十二月三十一日止年度，本集團就出售部分雲南漢鼎投資的權益確認人民幣11,636,000元的收益（附註26）。

於二零一二年下半年，雲南漢鼎投資向其現有股東籌集額外股本資金，而本集團透過向雲南漢鼎投資進一步注資人民幣11,809,000元參與股本集資。

於二零一二年十二月三十一日，在雲南漢鼎投資的其他股東提供額外股本資金後，本集團於雲南漢鼎投資的股本權益已被攤薄至11.7%，故本集團對雲南漢鼎投資的影響力已經減少。

Notes to the Consolidated Financial Statements

合併財務報表附註

11 INTEREST IN ASSOCIATES

11 於聯營公司的權益

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	40,393	–
Increase in equity interest in associates	於聯營公司的股本權益增加	60,014	33,500
Increase in quasi-equity loan to associates	於聯營公司的準股本性質 貸款增加	100,680	7,200
Disposal of interest in an associate	出售於一間聯營公司的權益	(78,101)	–
Transfer to available-for-sale investment (Note 10)	轉撥至可供出售投資 (附註10)	(63,325)	–
Share of post-acquisition profit/(loss)	應佔收購後溢利／(虧損)	501	(307)
At 31 December	於十二月三十一日	60,162	40,393

As at 31 December 2011, the Group's investment in an associate represented its 33.5% equity interest in Yunnan Handing Investment. Included in the cost of investment was a capital contribution of RMB33,193,000 and quasi-equity loan of RMB7,200,000, which was unsecured and interest-free. Yunnan Handing Investment is a limited liability company established in the PRC that is principally engaged in the project investment and management.

On 9 January 2012, the Group paid an additional RMB100,000,000 investment cost in Yunnan Handing Investment, which represented an additional quasi-equity loan.

On 5 June 2012, the Group disposed of an 18.5% interest in Yunnan Handing Investment, including the transfer of RMB59,200,000 quasi-equity loan, to another shareholder of Yunnan Handing Investment for an aggregated consideration of RMB78,101,000 and ceased to have significant influence on Yunnan Handing Investment.

於二零一一年十二月三十一日，本集團於一間聯營公司的投資指其於雲南漢鼎投資的33.5%股本權益。投資成本包括注資人民幣33,193,000元及準股本性質貸款人民幣7,200,000元，屬無抵押及免息。雲南漢鼎投資為於中國成立的有限責任公司，主要從事項目投資及管理。

於二零一二年一月九日，本集團已向雲南漢鼎投資支付額外人民幣100,000,000元的投資成本，作為額外準股本性質貸款。

於二零一二年六月五日，本集團按總代價人民幣78,101,000元向雲南漢鼎投資另一名股東出售其於雲南漢鼎投資的18.5%權益（包括轉讓人民幣59,200,000元的準股本性質貸款），終止對雲南漢鼎投資的重大影響力。

Notes to the Consolidated Financial Statements

合併財務報表附註

11 INTEREST IN ASSOCIATES (continued)

As a result of the partial disposal, the Group's remaining 15.0% equity interest in Yunnan Handing Investment has been recognised as available-for-sale investment at fair value (Note 10) and a gain on partial disposal of Yunnan Handing Investment of RMB11,636,000 has been recorded by the Group (Note 26).

On 10 August 2012, the Group has completed the acquisition of 34% the issued shares of Skybroad International Limited, an independent third party, at a consideration satisfied by HK\$30,000,000 in cash, equivalent to RMB24,650,000 and HK\$43,200,000 (HK\$0.36 per share) by way of issue of the 120,000,000 consideration shares, equivalent to RMB35,364,000 (Note 22c).

The Group also made a quasi-equity loan of RMB680,000 to Skybroad International Limited, which is unsecured and interest-free. Skybroad International Limited is a limited liability company established in BVI that is principally engaged in information system and application research and development.

As at 31 December 2012, the Group's investment of RMB60,162,000 in an associate represented its 34% equity interest in Skybroad International Limited.

11 於聯營公司的權益 (續)

於進行此部分出售事項後，本集團於雲南漢鼎投資餘下的15.0%股本權益已確認為按公允價值計量的可供出售投資（附註10），而本集團錄得出售雲南漢鼎投資部分權益的收益人民幣11,636,000元（附註26）。

於二零一二年八月十日，本集團已完成收購獨立第三方Skybroad International Limited已發行股份的34%，代價中30,000,000港元（相當於人民幣24,650,000元）以現金支付，另有43,200,000港元（相當於人民幣35,364,000元）以發行120,000,000股代價股份（每股0.36港元）的方式支付（附註22c）。

本集團亦向Skybroad International Limited作出無抵押及免息的準股本性質貸款人民幣680,000元。Skybroad International Limited為於英屬處女群島成立的有限責任公司，主要從事資訊系統及應用研究與開發。

於二零一二年十二月三十一日，本集團於一間聯營公司的投資人民幣60,162,000元指其於Skybroad International Limited的34%股本權益。

Notes to the Consolidated Financial Statements

合併財務報表附註

11 INTEREST IN ASSOCIATES (continued)

The Group's share of the results of its principal associates, and its aggregated assets (including goodwill) and liabilities, are as follows:

Name		Country of incorporation	Non-current assets	Current assets	Liabilities	Income	Profit/(loss)	% interest held
名稱		註冊成立國家	非流動資產	流動資產	負債	收入	溢利/虧損	所持權益百分比(%)
31 December 2011	二零一一年十二月三十一日							
Yunnan Handing Investment	雲南漢鼎投資	PRC 中國	961	318,295	220,172	496	(916)	33.5
31 December 2012	二零一二年十二月三十一日							
Yunnan Handing Investment (Note)	雲南漢鼎投資(附註)	PRC 中國	961	318,295	220,172	5,498	3,083	33.5
Skybroad International Limited	Skybroad International Limited	BVI 英屬處女群島	172,515	6,221	3,788	4,960	(1,565)	34.0

Note: The Group partially disposed 18.5% equity interest of Yunnan Handing on 5 June 2012 and the share of profit was arisen for the period prior to the disposal.

附註：本集團於二零一二年六月五日部分出售雲南漢鼎投資的18.5%股本權益，並於出售前的期間產生應佔溢利。

12 TRADE RECEIVABLES – NET – GROUP

12 貿易應收款項 – 淨額 – 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	313,904	334,752
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	(107,426)	(75,083)
Trade receivables – net	貿易應收款項 – 淨額	<u>206,478</u>	<u>259,669</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES – NET – GROUP (continued)

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 were as follows:

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1 – 30 days	1至30日	25,519	27,940
31 – 60 days	31至60日	14,604	16,322
61 – 90 days	61至90日	9,090	13,305
91– 365 days	91至365日	61,540	142,202
Over 1 year	一年以上	203,151	134,983
		313,904	334,752
Less: provision for impairment on trade receivables	減：貿易應收款項減值撥備	(107,426)	(75,083)
Trade receivables – net	貿易應收款項－淨額	206,478	259,669

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

12 貿易應收款項－淨額－本集團 (續)

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其發票日期的賬齡分析如下：

本集團貿易應收款項的賬面值以人民幣計值。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES – NET – GROUP (continued)

As at 31 December 2012, trade receivables of RMB104,160,000 (2011: RMB79,283,000) 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 were as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Past due 1 – 30 days	逾期1至30日	4,620	15,681
Past due 31 – 60 days	逾期31至60日	2,948	14,923
Past due 61 – 90 days	逾期61至90日	3,313	14,992
Past due over 91 days	逾期91日以上	<u>93,279</u>	<u>33,687</u>
		<u>104,160</u>	<u>79,283</u>

As at 31 December 2012, trade receivables of RMB107,426,000 (2011: RMB75,083,000) were impaired and provided for. For the year ended 31 December 2012, the amounts of the provision charged to the consolidated statement of comprehensive income were RMB36,044,000 (2011: RMB68,101,000). The aging of these receivables were as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
91 – 365 days	91至365日	–	12,139
Over 1 year	一年以上	<u>107,426</u>	<u>62,944</u>
		<u>107,426</u>	<u>75,083</u>

12 貿易應收款項 – 淨額 – 本集團 (續)

於二零一二年十二月三十一日，貿易應收款項人民幣104,160,000元（二零一一年：人民幣79,283,000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：

於二零一二年十二月三十一日，貿易應收款項人民幣107,426,000元（二零一一年：人民幣75,083,000元）已減值並計提撥備。截至二零一二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36,044,000元（二零一一年：人民幣68,101,000元）。該等應收款項的賬齡分析如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES – NET – GROUP (continued)

The provision was made as management has determined that the ability of the debtors to repay the trade receivables has 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.

For the year ended 31 December 2012, trade receivables of RMB10,038,000 were directly written-off to the consolidated statement of comprehensive income (2011: RMB143,000). Management has tried reasonable efforts to collect the trade receivables from those debtors and has determined that the recoverability of these balances is not probable.

As at 31 December 2012, trade receivables of RMB35,866,000 (2011: RMB30,361,000) were impaired and provided for the customers where the Group had expected that its relationship with them would cease as a result of the termination of the Group's cooperation arrangement with Shenyang Evening News. Management has reassessed this provision during the current year and has determined that the provision remained appropriate as at 31 December 2012.

12 貿易應收款項－淨額－本集團 (續)

由於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，因而計提撥備。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。

截至二零一二年十二月三十一日止年度，貿易應收款項人民幣10,038,000元（二零一一年：人民幣143,000元）已直接在合併全面收益表撇賬。管理層在合理情況下盡力從有關債務人收回貿易應收款項，並判斷該等結餘的收回機會不大。

於二零一二年十二月三十一日，鑑於本集團預期與客戶的關係將因終止本集團與瀋陽晚報的合作安排而終止，故有關該等客戶的貿易應收款項人民幣35,866,000元（二零一一年：人民幣30,361,000元）已減值，而本集團已就此計提撥備。管理層於本年內重新評估該撥備，並認為該撥備於二零一二年十二月三十一日仍屬合適。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES – NET – GROUP (continued)

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	75,083	7,170
Provision for impairment on trade receivables	貿易應收款項減值撥備	36,044	68,101
Receivables written off during the year as uncollectible	於年內列為不可收回而撇銷的應收款項	<u>(3,701)</u>	<u>(188)</u>
At 31 December	於十二月三十一日	<u>107,426</u>	<u>75,083</u>

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 27). 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 2012 and 2011 were the carrying value of trade receivables mentioned above. The Group does not hold any collateral as security.

12 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：

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27)。於備抵賬目扣除的數額一般會於預期不可收回額外現金時撇銷。除已計提減值撥備的貿易應收款項外，其他貿易應收款項不包括已減值資產。

於二零一二年及二零一一年十二月三十一日，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。本集團並無持有任何抵押品作擔保。

Notes to the Consolidated Financial Statements

合併財務報表附註

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

13 預付款項、按金及其他應收款項

Group 本集團		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
<u>Non current portion</u>	<u>非即期部分</u>		
Prepayment for long term investments (note (i))	長期投資的預付款項 (附註(i))	173,000	173,000
Deposits to newspaper publishers (note (ii))	給予報紙出版商的按金 (附註(ii))	92,000	92,000
Deposits for marketing and promotion projects (note (iii))	就營銷及宣傳項目作出的 按金(附註(iii))	166,250	182,500
Prepayments, deposits and other receivables – non current	預付款項、按金及其他應收 款項—非即期	431,250	447,500
<u>Current portion</u>	<u>即期部分</u>		
Deposit for a marketing and promotion project (note (iii))	就營銷及宣傳項目作出的 按金(附註(iii))	33,750	17,500
Prepayments for outdoor advertising projects (note (iv))	就戶外廣告項目作出的預付 款項(附註(iv))	19,326	–
Prepayments (note (v))	預付款項(附註(v))	173,682	156,210
Deposits and other receivables (note (vi))	按金及其他應收款項 (附註(vi))	83,093	77,159
Deposit and prepayment to Shenyang Evening News (note (vii))	給予瀋陽晚報的按金及 預付款項(附註(vii))	–	43,780
Prepayments, deposits and other receivables – current	預付款項、按金及其他應收 款項—即期	309,851	294,649

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

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

13 預付款項、按金及其他應收款項 (續)

Company 本公司		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Prepayment	預付款項	117	117
Other receivable	其他應收款項	<u>26,672</u>	<u>26,672</u>
Prepayment and other receivable	預付款項及其他應收款項	<u>26,789</u>	<u>26,789</u>

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。

(i) Prepayment for long term investments

As at 31 December 2012, prepayment for long term investments represents cash paid by the Group to two (2011: two) metropolitan newspaper publishers in the PRC in relation to the potential establishment of jointly controlled entities ("JCE") with these metropolitan newspaper publishers. During the year ended 31 December 2012, Lifestyle Express has obtained official approval from the respective local government authority, while Southeast Express made a preliminary consensus with local council, regarding the establishment of JCE entity with the Group.

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 JCE and 31 December 2013 which is the target date to complete the potential investments. The Group consistently shows strong intention of forming the JCE and assesses the probability of the formation to be high. Hence the prepayment is classified as long term investment as at 31 December 2012.

(i) 長期投資的預付款項

於二零一二年十二月三十一日，長期投資的預付款項指本集團就可能與中國兩名（二零一一年：兩名）都市報出版商成立共同控制實體（「共同控制實體」）而向該等出版商支付的現金。於截至二零一二年十二月三十一日止年度，《生活新報》已向有關地方政府機關取得關於與本集團成立共同控制實體的官方批文，而《東南快報》亦就與本集團成立共同控制實體與地方政府達成初步共識。

本集團與都市報出版商已達成相互協定，令預付款項將可於終止成立共同控制實體計劃時與二零一二年十二月三十一日（即完成潛在投資的目標日期）兩者間的較早者退回。本集團持續顯示其成立共同控制實體的強烈意向，並將成立的可能性評估為高。因此，預付款項於二零一二年十二月三十一日歸入長期投資類別。

Notes to the Consolidated Financial Statements

合併財務報表附註

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(ii) Deposits to newspaper publishers

As at 31 December 2012, deposits to newspaper publishers represent cash paid by the Group to three (31 December 2011: 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.

13 預付款項、按金及其他應收款項 (續)

(ii) 給予報紙出版商的按金

於二零一二年十二月三十一日，給予報紙出版商的按金指本集團根據其與中國三名（二零一一年：三名）都市報出版商訂立的獨家協議向該等報紙出版商支付的現金。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。

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(iii) Deposits for marketing and promotion projects

As at 31 December 2012, deposits for marketing and promotion projects represent cash paid by the Group to four (31 December 2011: three) 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. During the year ended 31 December 2012, the Group has additionally paid RMB17,500,000 (2011: RMB208,750,000) to fulfil the upfront deposit obligation and received RMB17,500,000 (2011: RMB8,750,000) repayment from one of these projects. 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.

13 預付款項、按金及其他應收款項 (續)

(iii) 就營銷及宣傳項目作出的按金

於二零一二年十二月三十一日，就營銷及宣傳項目作出的按金指本集團就其與中國四名（二零一一年十二月三十一日：三名）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。於截至二零一二年十二月三十一日止年度內，本集團已支付額外人民幣17,500,000元（二零一一年：人民幣208,750,000元）以履行前期按金責任，並從其中一個項目收得人民幣17,500,000元（二零一一年：人民幣8,750,000元）的還款。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

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(iv) Prepayments for outdoor advertising projects

As at 31 December 2012, prepayment for outdoor advertising projects represent cash paid by the Group to four commercial customers in the PRC pursuant to contractual agreements between the Group and the customers. Under the terms of the agreements, the Group has obtained the exclusive rights to sell advertising spaces of designated areas in the respective malls and on the side of highways for 5 to 10 years. Annual rental expenses should be paid before the inception of the corresponding lease term in accordance with the agreements. Details of the arrangement for outdoor advertising projects are disclosed in Note 34.

(v) 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 utilised as advertising costs incurred in the coming 12 months when the amount of prepayment is available.

(vi) 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. Other receivables are due within one year from the balance sheet date.

13 預付款項、按金及其他應收款項 (續)

(iv) 就戶外廣告項目作出的預付款項

於二零一二年十二月三十一日，就戶外廣告項目作出的預付款項指本集團根據其與中國四名商業客戶訂立的合約協議支付予該等客戶的現金。根據該等協議的條款，本集團取得了在相關購物中心的指定地區及公路旁出售廣告空間的獨家權利，期限為五至十年。按該等協議的規定，年租開支應於相應租期開始前支付。有關戶外廣告項目安排的詳情於附註34披露。

(v) 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於預付款項金額可供動用時，用作為未來十二個月產生的廣告成本。

(vi) 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。其他應收款項於結算日後一年內到期。

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

(vii) Deposit and prepayment to Shenyang Evening News

As at 31 December 2012, 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. During the year ended 31 December 2012, the Directors have reviewed the recoverability of such prepayment and deposit totaling RMB43,780,000 (Note 27), including consideration of the probable outcome of the litigation between the Group and Shenyang Evening News, the prolonged period to obtain a final judgment in respect of the legal proceeding, and its ability to enforce court decision to collect the amount when the final judgment is reached. Having considered all these factors, management has determined to make full provision of these amounts. The provision for the impairment of prepayment and deposit has been included in "General and Administrative expenses" in the consolidated statement of comprehensive income. Details of the litigation with Shenyang Evening News are disclosed in Note 38(a).

13 預付款項、按金及其他應收款項 (續)

(vii) 給予瀋陽晚報的按金及預付款項

於二零一二年十二月三十一日，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預付人民幣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。於截至二零一二年十二月三十一日止年度內，董事已檢討該等預付款項及按金合共人民幣43,780,000元的可收回性（附註27），包括考慮本集團與瀋陽晚報之間的訴訟的可能結果、取得法律程序終局判決的延長期間及本集團於達致終局判決時執行法院裁決以收回款項的能力。經參慮所有該等因素後，管理層決定就該等款項計提全數撥備。預付款項及按金減值撥備已計入合併全面收益表的「一般及行政開支」內。與瀋陽晚報的訴訟詳情於附註38(a)披露。

Notes to the Consolidated Financial Statements

合併財務報表附註

14 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 "General and administrative expenses" in the consolidated statement of comprehensive income.

15 INVENTORIES – GROUP

Newsprint and printing consumables

新聞紙及印刷消耗品

14 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：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Properties held for sale 持作出售物業	44,969	29,336

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，則有關權利於完成廣告銷售交易時確認為持作出售資產。

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的「一般及行政開支」內。

15 存貨 – 本集團

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Newsprint and printing consumables 新聞紙及印刷消耗品	7,900	8,245

Notes to the Consolidated Financial Statements

合併財務報表附註

16 CASH AND CASH EQUIVALENTS

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

Group 本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 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	52,879	212,236
Denominated in HKD	以港元計值	495	1,787
Denominated in USD	以美元計值	61	354
		<u>53,435</u>	<u>214,377</u>
Maximum exposure to credit risk	最高信貸風險	<u>45,134</u>	<u>209,323</u>

Company 本公司

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash at bank:	銀行現金：		
Denominated in HKD	以港元計值	372	1,675
		<u>372</u>	<u>1,675</u>

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.

16 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：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 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	52,879	212,236
Denominated in HKD	以港元計值	495	1,787
Denominated in USD	以美元計值	61	354
		<u>53,435</u>	<u>214,377</u>
Maximum exposure to credit risk	最高信貸風險	<u>45,134</u>	<u>209,323</u>

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash at bank:	銀行現金：		
Denominated in HKD	以港元計值	372	1,675
		<u>372</u>	<u>1,675</u>

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。

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合併財務報表附註

17 RESTRICTED CASH

As at 31 December 2012, restricted cash consisted of RMB12,890,171 deposited in four bank accounts which were subjected to a restriction to use order issued by the Yueyang City Intermediate Court. The order does not specify the period of restriction and is therefore, may not available for short-term use by the Group (Note 38(b)).

18 PLEDGE OF ASSETS

The Group had the following pledge of assets as collateral to secure the Group's bank borrowings (Note 19):

17 受限制現金

於二零一二年十二月三十一日，受限制現金包括存入受岳陽市中級人民法院發出的限制使用法令所限的四個銀行賬戶的人民幣12,890,171元。該法令並無訂明限制期限，因此受限制現金未必可供本集團作短期使用（附註38(b)）。

18 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19）：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At net book value:	按賬面淨值：		
Building (Note 7)	樓宇（附註7）	1,975	-
At fair value:	按公允價值：		
Investment properties (Note 8)	投資物業（附註8）	-	1,975
		1,975	1,975

Notes to the Consolidated Financial Statements

合併財務報表附註

19 BORROWINGS – GROUP

19 借款－本集團

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current liability:	非流動負債：		
Other loan	其他貸款	—	1,006
Current liabilities:	流動負債：		
Short-term bank loans, secured	短期銀行貸款，已抵押	44,000	47,000
Other loan	其他貸款	539	1,522
		44,539	48,522
		44,539	49,528

Borrowings of RMB44,000,000 as at 31 December 2012 (2011: RMB47,000,000) were secured by the Group's building (Note 7). These loans are used to finance daily operations.

於二零一二年十二月三十一日，以本集團樓宇（附註7）作抵押的借款為人民幣44,000,000元（二零一一年：人民幣47,000,000元）。該等貸款用於為日常經營提供資金。

The weighted average effective interest rate at 31 December 2012 was 7% per annum (2011: 6% per annum).

於二零一二年十二月三十一日的加權平均實際年利率為7%（二零一一年：6%）。

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

本集團借款的賬面值以人民幣計值並與其公允價值相若。

Notes to the Consolidated Financial Statements

合併財務報表附註

19 BORROWINGS – GROUP (continued)

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 year	一年以內	44,539	48,522
Between 1 to 2 years	一至兩年	–	1,006
		44,539	49,528

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 6 months	六個月以內	44,539	47,804
Between 7 and 12 months	七至十二個月	–	718
Between 13 months and 5 years	十三個月至五年	–	1,006
		44,539	49,528

The group has the following undrawn borrowing facilities:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Expiring within one year	於一年內到期	11,000	8,000

19 借款－本集團（續）

(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）

本集團未動用的貸款額度如下：

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

20 TRADE, OTHER PAYABLES AND ACCRUED EXPENSES

20 貿易、其他應付款項及應計開支

Group 本集團		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade payables	貿易應付款項	5,644	4,147
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	1,192	660
Accrued salaries and welfare	應計薪金及福利	9,713	7,434
Value added tax and other taxes payable	增值稅及其他應付稅項	29,880	28,066
Other payables	其他應付款項	39,974	35,147
Deposits from customers	來自客戶的按金	5,673	4,144
Receipts in advance	預先收取的款項	10,166	11,217
		96,598	86,668
		102,242	90,815
Company 本公司		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other payables and accrued expenses:	其他應付款項及應計開支：		
Other payables	其他應付款項	26,912	26,672
Accrued salaries and welfare	應計薪金及福利	1,616	1,038
		28,528	27,710

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

20 TRADE, OTHER PAYABLES AND ACCRUED EXPENSES (continued)

The aging analysis of the trade payables based on the date of receipt of goods is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
1 – 30 days	1至30日	991	2,227
31 – 90 days	31至90日	2,675	425
Over 90 days	90日以上	1,978	1,495
		5,644	4,147

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

20 貿易、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：

本集團貿易應付款項的賬面值全部以人民幣計值。

21 DEFERRED INCOME TAX

The analysis of deferred income tax liabilities is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Deferred income tax liabilities	遞延所得稅負債	4,777	7,397

Management expects the deferred income tax will be recovered after 12 months of the balance sheet date.

21 遞延所得稅

遞延所得稅負債分析如下：

管理層預期遞延所得稅將於結算日起計十二個月後收回。

Notes to the Consolidated Financial Statements

合併財務報表附註

21 DEFERRED INCOME TAX (continued)

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

		Accelerated tax depreciation 加速稅項折舊	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	7,397	-
Acquisition of a subsidiary	收購一間附屬公司	-	9,143
Recognised in the consolidated statement of comprehensive income (Note 30)	於合併全面收益表內確認 (附註30)	<u>(2,620)</u>	<u>(1,746)</u>
At 31 December	於十二月三十一日	<u>4,777</u>	<u>7,397</u>

No deferred income tax asset has been recognised in respect of tax losses of RMB96,987,000 as at 31 December 2012 (2011: RMB12,653,000) 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. Deferred income tax liabilities amounting to RMB32,053,000 have not been recognised as at 31 December 2012 (2011: RMB45,156,000), in respect of withholding tax and other taxes 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 December 2012, unremitted earnings of the PRC subsidiaries amounted to RMB320,534,000 (2011: RMB451,564,000).

21 遞延所得稅 (續)

遞延所得稅負債變動如下：

		Accelerated tax depreciation 加速稅項折舊	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	7,397	-
Acquisition of a subsidiary	收購一間附屬公司	-	9,143
Recognised in the consolidated statement of comprehensive income (Note 30)	於合併全面收益表內確認 (附註30)	<u>(2,620)</u>	<u>(1,746)</u>
At 31 December	於十二月三十一日	<u>4,777</u>	<u>7,397</u>

於二零一二年十二月三十一日，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96,987,000元（二零一一年：人民幣12,653,000元）的稅項虧損確認遞延所得稅資產。該等稅項虧損的屆滿期間為五年。

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須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。於二零一二年十二月三十一日，就若干附屬公司未付匯溢利應付的預扣稅及其他稅項而言，為數人民幣32,053,000元（二零一一年：人民幣45,156,000元）的遞延所得稅負債未獲確認，此乃由於本集團無意於可見未來匯出該等中國附屬公司的未付匯溢利所致。於二零一二年十二月三十一日，中國附屬公司的未付匯溢利達人民幣320,534,000元（二零一一年：人民幣451,564,000元）。

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL AND SHARE PREMIUM 22 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	總計
		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:					
Ordinary shares of HK\$0.1 each at 31 December 2012 and 2011 (Note (a))					
	2,000,000,000	0.1			
Issued:					
Ordinary shares at 31 December 2010 and 1 January 2011					
	732,165,121	73,216,512	63,860	540,311	604,171
Shares repurchased and cancelled (Note (b))	(12,223,000)	(1,222,300)	(997)	(9,411)	(10,408)
Ordinary shares at 31 December 2011 and 1 January 2012					
	719,942,121	71,994,212	62,863	530,900	593,763
Allotment of new ordinary shares of HK\$0.1 (Note (c))	120,000,000	12,000,000	9,824	25,540	35,364
Ordinary shares at 31 December 2012	839,942,121	83,994,212	72,687	556,440	629,127

22 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., a significant shareholder of the Company.
- (b) 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 approximately 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.
- (c) The Group issued 120,000,000 new ordinary shares on 10 August 2012 (14.3% of the enlarged ordinary share capital of the company) to a shareholder of Skybroad International Limited ("Skybroad") as part of the purchase consideration for its entire 34% interest in Skybroad. The ordinary shares issued have the same rights as the other shares in issue. The fair value of the shares issued amounted to HK\$43,200,000 (HK\$0.36 per share), equivalent to RMB35,364,000.

22 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，本公司向其主要股東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) 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，相當於約人民幣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。
- (c) 於二零一二年八月十日，本集團向Skybroad International Limited (「Skybroad」) 一名股東發行120,000,000股新普通股(佔本公司經擴大普通股股本的14.3%)，作為購買其於Skybroad的全部34%權益的部分代價。所發行的普通股與其他已發行股份享有同等權利。所發行股份的公允價值為43,200,000港元(每股0.36港元)，相當於人民幣35,364,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

23 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 91:

(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.

23 儲備

(a) 本集團

本集團儲備的變動詳情載於第91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。法定儲備乃基於該等公司在法定財務報表內所報的年內溢利的若干百分比進行劃撥。

根據中國法規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法規所釐定的年內溢利的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往年度虧損（如有），亦可按現有持股比例發行新股予股東或增加股東現時所持股份的面值，惟發行後的結餘不可少於註冊資本的25%。

Notes to the Consolidated Financial Statements

合併財務報表附註

23 RESERVES (continued)

(a) Group (continued)

(i) Statutory reserves (continued)

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.

(ii) Capital reserves

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

(iii) Revaluation reserve

The revaluation reserve relates to the increase in carrying amount of property, plant and equipment upon transfer to investment properties at its then fair value.

(iv) Capital redemption reserve

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

23 儲備 (續)

(a) 本集團 (續)

(i) 法定儲備 (續)

本集團各成員公司亦可將按中國會計法規所釐定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。

(ii) 資本儲備

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

(iii) 重估儲備

重估儲備與物業、廠房及設備按其當時的公允價值撥入投資物業時賬面值的增加有關。

(iv) 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

23 RESERVES (continued)

(b) Company

23 儲備 (續)

(b) 本公司

		Accumulated deficits	Equity-based compensation reserve	Total
		累計虧絀	以股權為 基礎的 薪酬儲備	總計
		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 2011	於二零一一年一月一日的 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)
Total comprehensive loss for the year	年內全面虧損總額	(8,702)	–	(8,702)
Equity-based compensation	以股權為基礎的薪酬	–	2,362	2,362
Balance at 31 December 2012	於二零一二年 十二月三十一日的結餘	(27,940)	12,986	(14,954)

24 INVESTMENT IN SUBSIDIARIES – COMPANY

24 於附屬公司的投資 – 本公司

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	5,118	5,118

Notes to the Consolidated Financial Statements

合併財務報表附註

24 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

The following is a list of principal subsidiaries of the Company as at 31 December 2012:

24 於附屬公司的投資—本公司 (續)

下表載列本公司於二零一二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 31 December 於十二月三十一日持有的實際權益	
					2012 二零一二年	2011 二零一一年
Directly owned subsidiary: 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：						
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 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%
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%
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

24 INVESTMENT IN SUBSIDIARIES – COMPANY (continued)

24 於附屬公司的投資—本公司 (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 31 December 於十二月三十一日 持有的實際權益	
					2012 二零一二年	2011 二零一一年
Indirectly owned subsidiaries: (continued) 間接擁有附屬公司：(續)						
Guizhou Qianzhong Newspaper Industry Printing Co. Ltd 貴州黔中報業印務有限公司	Guizhou, the PRC 3 June 2011 中國貴州 二零一一年六月三日	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 2011 中國貴州 二零一一年十月二十日	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 Apr 2012 中國福州 二零一二年四月五日	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	100%	100%
Fujian Fangke Network Technology Corporation Limited 福建房客網絡科技股份有限公司	Fuzhou, the PRC 23 Dec 2011 中國福州 二零一一年十二月二十三日	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%	51%
Guangxi ShiFang Culture Communication Co., Ltd 廣西十方文化傳播有限公司	Nanning, the PRC 26 May 2012 中國南寧 二零一二年五月二十六日	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%	100%
Liaoning Shifang XinDa Culture Communication Co. Ltd. 遼寧十方信達文化傳媒有限公司	Shenyang, the PRC 21 Nov 2011 中國瀋陽 二零一一年十一月二十一日	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%	60%
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%
Special purpose entity: 特殊目的實體：						
Beijing HongXinTu Culture Communication Co., Ltd. ("Beijing HongXinTu") (Note 2) 北京鴻馨圖文化傳播有限公司 ("北京鴻馨圖") (附註2)	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%
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

25 AMOUNTS DUE FROM/(TO) SUBSIDIARIES – COMPANY

The balances with subsidiaries are unsecured, interest-free and repayable on demand. As at 31 December 2011 and 2012, the carrying values approximate their fair values.

25 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。於二零一一年及二零一二年十二月三十一日，賬面賬與其公允價值相若。

26 OTHER INCOME AND OTHER GAIN

26 其他收入及其他收益

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Other income:	其他收入：		
Sale of newsprint papers	銷售新聞紙	5,028	473
Sale of scrap material	銷售報廢材料	1,097	2,846
Government grants (a)	政府補助(a)	2,616	5,078
Sundry income	雜項收入	727	1,680
		9,468	10,077
Other gain:	其他收益：		
Gain on disposal of a subsidiary	出售一間附屬公司的收益	424	-
Gain on partial disposal of interest in Yunnan Handing Investment (b)	出售部分雲南漢鼎投資權益的收益(b)	11,636	-
		12,060	-

(a) The Group has recognised government grants of RMB2,616,000 (2011: RMB5,078,000) from the Fujian government authority for the year ended 31 December 2012, 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.

(b) On 5 June 2012, the Group disposed of 18.5% equity interest in an associate, Yunnan Handing Investment and recognised a gain of RMB11,636,000.

(a) 截至二零一二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2,616,000元（二零一一年：人民幣5,078,000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。

(b) 於二零一二年六月五日，本集團出售於一間聯營公司——雲南漢鼎投資的18.5%股本權益，並確認收益人民幣11,636,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

27 EXPENSES BY NATURE

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

27 按性質劃分的開支

除所得稅前(虧損)/溢利經扣除/(計
入)以下項目後入賬:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	5,379	4,041
Cost of newspaper advertising	報紙廣告成本		
– Media costs	– 媒體成本	199,491	208,380
Cost of marketing and promotion services	營銷及宣傳服務成本	11,865	–
Cost of online services	網絡服務成本	2,947	1,997
Cost of television and radio advertising	電視及電台廣告成本		
– Media costs	– 媒體成本	4,190	1,220
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	20,593	14,416
– Media costs	– 媒體成本	3,743	4,503
– Other costs	– 其他成本	1,838	2,038
Depreciation (Note 7)	折舊(附註7)	9,459	8,646
Amortisation (Note 9)	攤銷(附註9)	14,516	9,609
Operating lease charges in respect of land and buildings	有關土地及樓宇的 經營租賃收費	5,963	4,045
Net loss/(gain) on disposal of property, plant and equipment (Note 33(b))	出售物業、廠房及設備的 虧損/(收益)淨額 (附註33(b))	355	(38)
Provision for impairment on trade receivables (Note 12)	貿易應收款項減值撥備 (附註12)	36,044	68,101
Write-off of trade receivables (Note 12)	撤銷貿易應收款項 (附註12)	10,038	143
Provision for impairment on prepayments and deposits (Note 13(vii))	預付款項及按金減值撥備 (附註13(vii))	43,780	–
Net foreign exchange loss	外匯虧損淨額	128	7,144
Employee benefit expenses (including directors' emoluments) (Note 28)	僱員福利開支(包括董事 酬金)(附註28)	93,422	70,700
Business tax	營業稅	12,435	21,937

Notes to the Consolidated Financial Statements

合併財務報表附註

28 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

28 僱員福利開支(包括董事酬金)

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	78,021	56,855
Equity-based compensation expenses	以股權為基礎的薪酬開支	2,362	5,361
Discretionary bonus	酌情花紅	5,992	1,478
Social security costs	社保費用	3,072	2,567
Retirement scheme contribution	退休計劃供款	3,975	4,439
		93,422	70,700

(a) Directors' emoluments

The remuneration of each of the director of the Company paid/payable by the Group for the years ended 31 December 2012 and 2011 is set out below:

(a) 董事酬金

截至二零一二年及二零一一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 2012 截至二零一二年十二月三十一日止年度					
		Fees	Salaries and other allowances	Discretionary bonus	Social security cost	Share-based compensation	Total
		袍金	薪金及其他補貼	酌情花紅	社保費用	以股權為基礎的薪酬	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 (CEO)	陳志先生(首席執行官)	-	1,932	-	-	897	2,829
Mr. Hong Pei Feng	洪培峰先生	-	732	-	-	236	968
Mr. Zhang Tie Zhu	張鐵柱先生	-	1,732	-	10	803	2,545
Mr. Yu Shi Quan	余詩權先生	-	611	-	7	95	713
Non-executive directors:	非執行董事:						
Mr. Wang Ping	王平先生	120	-	-	-	47	167
Ms. Chen Min	陳敏女士	120	-	-	-	-	120
Independent Non-executive directors:	獨立非執行董事:						
Mr. Zhou Chang Ren	周昌仁先生	120	-	-	-	-	120
Mr. Wong Heung Ming, Henry	黃向明先生	120	-	-	-	-	120
Mr. Zhuo Ze Yuan	卓澤淵先生	120	-	-	-	-	120
Mr. Cai Jian Quan	蔡建權先生	120	-	-	-	-	120
Total	總計	720	5,007	-	17	2,078	7,822

Notes to the Consolidated Financial Statements

合併財務報表附註

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

(a) Directors' emoluments (continued)

28 僱員福利開支 (包括董事酬金) (續)

(a) 董事酬金 (續)

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

		Salaries and other allowances	Discretionary bonus	Social security cost	Share-based compensation	Total
	Fees	袍金 及 其他補貼	酌情花紅	社保費用	以股權為 基礎的薪酬	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 (CEO)	陳志先生 (首席執行官)	-	1,932	-	2,037	3,969
Mr. Hong Pei Feng	洪培峰先生	-	732	-	536	1,268
Mr. Zhang Tie Zhu	張鐵柱先生	-	1,732	9	1,823	3,564
Mr. Yu Shi Quan (appointed on 20 December 2011)	余詩權先生 (於二零一一年 十二月二十日獲委任)	-	9	-	6	15
Non-executive directors:	非執行董事:					
Mr. Wang Ping	王平先生	120	-	-	107	227
Ms. Chen Min (appointed on 20 December 2011)	陳敏女士 (於二零一一年 十二月二十日獲委任)	4	-	-	-	4
Independent Non-executive directors:	獨立非執行董事:					
Mr. Zhou Chang Ren	周昌仁先生	120	-	-	-	120
Mr. Wong Heung Ming, Henry	黃向明先生	120	-	-	-	120
Mr. Zhuo Ze Yuan	卓澤淵先生	120	-	-	-	120
Mr. Cai Jian Quan (appointed on 20 December 2011)	蔡建權先生 (於二零一一年 十二月二十日獲委任)	4	-	-	-	4
Total	總計	488	4,405	-	9	4,509

During the year ended 31 December 2012, 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 (2011: nil).

There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 December 2012 (2011: nil).

於截至二零一二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(二零一一年：無)。

於截至二零一二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(二零一一年：無)。

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

**28 EMPLOYEE BENEFIT EXPENSES
(INCLUDING DIRECTORS'
EMOLUMENTS) (continued)**

(b) Five highest paid individuals

For the year ended 31 December 2012, the five individuals whose emoluments were the highest in the Group included 4 directors (2011: 3 directors), whose emoluments were reflected in the analysis presented above. The emoluments paid/payable to the remaining 1 (2011: 2 individuals) individual during the year ended 31 December 2012 were as follows:

Salaries and other allowances	薪金及其他補貼
Equity-based compensation expenses	以股權為基礎的薪酬開支
Social security costs	社保費用

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元
397	144
-	530
7	6
404	680

For the years ended 31 December 2012 and 2011, the emoluments of the highest paid individuals of the Group fall within the following bands:

Nil to RMB1,000,000	零至人民幣1,000,000元
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截至二零一二年及二零一一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：

Number of individuals	
人數	
2012	2011
二零一二年	二零一一年
1	2

**28 僱員福利開支 (包括董事酬金)
(續)**

(b) 五名最高薪人士

截至二零一二年十二月三十一日止年度，本集團五名最高薪人士包括四名(二零一一年：三名)董事，其酬金反映在上文所呈列的分析中。於截至二零一二年十二月三十一日止年度，已付／應付餘下一名(二零一一年：兩名)人士的酬金如下：

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

**28 EMPLOYEE BENEFIT EXPENSES
 (INCLUDING DIRECTORS'
 EMOLUMENTS) (continued)**
(c) Key management compensation

**28 僱員福利開支(包括董事酬金)
 (續)**
(c) 主要管理層薪酬

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other allowances	薪金及其他補貼	7,994	6,241
Equity-based compensation expenses	以股權為基礎的薪酬開支	2,362	5,361
Social security costs	社保費用	60	37
		10,416	11,639

29 FINANCE (COSTS)/INCOME-NET

29 融資(成本)／收益－淨額

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	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	1,518	2,472
Interest expense on:	利息開支：		
– Bank borrowings	– 銀行借款	(3,218)	(1,687)
Finance (costs)/income – net	融資(成本)／收益－淨額	(1,700)	785

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

30 INCOME TAX EXPENSES

30 所得稅開支

		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	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	18,054	26,747
– Under/(over) provision in prior years	– 過往年度撥備不足/ (超額撥備)	827	(1,503)
		18,881	25,244
Deferred income tax	遞延所得稅	(2,620)	(1,746)
		16,261	23,498

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 2012 and 2011.

由於本集團於截至二零一二年及二零一一年十二月三十一日止年度並未於香港產生或獲得應課稅收入，故毋須繳納香港利得稅。

Notes to the Consolidated Financial Statements

合併財務報表附註

30 INCOME TAX EXPENSES (continued)

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 2012 was 25% (2011: 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 2012 was 25% (2011: 24%). 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 2012 was 15% (2011: 12%).

30 所得稅開支 (續)

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%。截至二零一二年十二月三十一日止年度，福州鴻馨圖的適用稅率為25%（二零一一年：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。截至二零一二年十二月三十一日止年度，十方亞祺的適用稅率為25%（二零一一年：24%）。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%。截至二零一二年十二月三十一日止年度，廈門讀客的適用稅率為15%（二零一一年：12%）。

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合併財務報表附註

30 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:

30 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：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(114,111)	82,519
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	(30,753)	23,794
Tax effects of:	以下項目的稅項影響：		
– Income not subject to tax	– 毋須繳稅收入	(165)	(1,225)
– Expenses not deductible for tax purposes	– 不可扣稅開支	34,871	11,885
– 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	20,955	1,849
– 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	(9,474)	(11,302)
– Under/(over) provision in prior years income tax expenses	– 過往年度所得稅開支撥備不足/ (超額撥備)	827	(1,503)
		16,261	23,498

The weighted average applicable tax rate was 14% (2011: 29%). The decrease is mainly caused by the change in applicable corporate income tax rates of certain subsidiaries operating in the PRC.

加權平均適用稅率為14%(二零一一年: 29%)。有關減少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

31 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share for the years ended 31 December 2012 and 2011 is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2012 二零一二年	2011 二零一一年
(Loss)/profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔(虧損)/溢利(人民幣千元)	(137,940)	52,978
Weight average number of shares in issue (thousands)	已發行股份加權平均數(千股)	766,827	728,612
Basic (loss)/earnings per share (RMB per share)	每股基本(虧損)/溢利(每股人民幣)	(0.1799)	0.0727

(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 2012, the Company's share options issued under the pre-IPO share option was the sole category of dilutive potential ordinary shares where the effect of the assumed conversion of these potential ordinary shares outstanding during the year was anti-dilutive (2011: same).

32 DIVIDEND

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

31 每股(虧損)/溢利

(a) 基本

截至二零一二年及二零一一年十二月三十一日止年度的每股基本(虧損)/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。截至二零一二年十二月三十一日止年度，本公司根據首次公開發售前購股權發行的購股權為具潛在攤薄影響的普通股的唯一類別，而年內發行在外的具潛在攤薄影響的普通股獲兌換的假設具有反攤薄影響(二零一一年：相同)。

32 股息

本公司自註冊成立起概無宣派股息。

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

33 NOTES TO THE STATEMENT OF CASH FLOWS

33 現金流量表附註

(a) Cash generated from operation

(a) 經營所得現金

	Note 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(114,111)	82,519
Adjustments for:	調整:		
Depreciation	折舊	7 9,459	8,646
Amortisation	攤銷	9 14,516	9,609
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備 (虧損)/收益	27 355	(38)
Provision for impairment of trade receivables	貿易應收款項減值撥備	12 36,044	68,101
Provision for impairment of prepayment and deposit	預付款項及按金減值撥備	13 43,780	-
Write-off of trade receivables	撇銷貿易應收款項	12 10,038	143
Finance income	融資收益	29 (1,518)	(2,472)
Finance costs	融資成本	29 3,218	1,687
Share of (gain)/loss of associates	應佔聯營公司 (收益)/虧損	11 (501)	307
Fair value gain of investment properties	投資物業公允價值收益	8 -	(158)
Equity-based compensation expenses	以股權為基礎的薪酬開支	37 2,362	5,361
Gain on disposal of an associate	出售一間聯營公司收益	26 (11,636)	-
Gain on disposal of a subsidiary	出售一間附屬公司收益	26 (424)	-
Changes in working capital:	營運資金變動:		
- Trade receivables	- 貿易應收款項	(8,525)	(72,772)
- Inventories	- 存貨	345	(2,958)
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收款項	(21,176)	(78,902)
- Amounts due from related parties	- 應收關連人士款項	(4,071)	(694)
- Trade payables	- 貿易應付款項	1,498	(17)
- Other payables and accrued expenses	- 其他應付款項及應計開支	10,745	8,127
- Amounts due to related parties	- 應付關連人士款項	(223)	(3,861)
- Restricted cash	- 受限制現金	(12,890)	-
Cash (used in)/generated from operations	經營(所用)/所得現金	(42,715)	22,628

Notes to the Consolidated Financial Statements

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Disposal of property, plant and equipment

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net carrying amount (Note 7)	賬面淨額(附註7)	425	116
(Loss)/gain on disposal of property, plant and equipment (Note 27)	出售物業、廠房及設備 (虧損)/收益(附註27)	(355)	38
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	70	154

(c) Disposal of a subsidiary

In the statements of cash flows, net cash outflow on disposal of a subsidiary comprise:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Net liabilities value of the subsidiary disposed, net of cash	已出售附屬公司的負債淨額 (扣除現金)	(5,577)	-
Gain on disposal	出售收益	424	-
Net cash outflow on disposal	出售的現金流出淨額	(5,153)	-

33 現金流量表附註(續)

(b) 出售物業、廠房及設備

現金流量表中出售物業、廠房及設備的所得款項包括：

(c) 出售一間附屬公司

現金流量表中出售一間附屬公司的現金流出淨額包括：

Notes to the Consolidated Financial Statements

合併財務報表附註

34 COMMITMENTS

(a) Operating lease commitments – Group

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Not later than 1 year	一年以下	3,254	3,754
Later than 1 year and not later than 5 years	一年以上及五年以下	11,377	9,964
Later than 5 years	五年以上	4,536	4,603
		19,167	18,321

(b) Commitment for exclusive cooperative agreements – Group

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

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Not later than 1 year	一年以下	191,418	252,750
Later than 1 year and not later than 5 years	一年以上及五年以下	707,000	623,250
Later than 5 years	五年以上	1,890,000	1,992,750
		2,788,418	2,868,750

34 承擔

(a) 經營租約承擔—本集團

不可撤銷經營租約的日後最低租賃付款總額如下：

(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：

Notes to the Consolidated Financial Statements

合併財務報表附註

34 COMMITMENTS (continued)

(b) Commitment for exclusive cooperative agreements – Group (continued)

As at 31 December 2012, the Group has contractual commitments with four commercial customers in the PRC to pay annual rental expenses in order to obtain exclusive rights to sell advertising spaces of designated areas in the respective shopping malls and on the side of respective highways owned by the aforementioned commercial customers for 5 to 10 years. Future aggregate payments for these agreements are RMB10,000,000, RMB84,000,000, and RMB201,000,000 which are within one year, between two and five years, and later than five years respectively.

Pursuant to a contractual agreement entered into between the Group and JingFeng Shenyang Real Estate Development Co., Ltd, Shenyang HongFeng Real Estate Development Co., Ltd., and Shenyang ChangFeng Property Development Co., Ltd. (together, "Shenyang Real Estate Development Media Owner"), the Group is entitled to obtain the exclusive right to sell advertising spaces of designated areas in the respective malls owned by the Shenyang Real Estate Development Media Owner for 10 years. The Group is simultaneously obliged to pay annual rental expenses over the next 10 years, which amounts to RMB295,000,000 in aggregate. On 20 March 2013, the Group has entered into an addendum to the existing agreement with the Shenyang Real Estate Development Media Owner to certify that any risks and rewards, including the exclusive right obtained and the obligation to pay annual rental expenses will be released upon the termination of the agreement, given that the Group incurs operating losses for two consecutive years. On this basis, a reliable estimate for the amount of the obligation cannot be made as the timing for future operating losses cannot be determined.

34 承擔 (續)

(b) 獨家合作協議承擔 – 本集團 (續)

於二零一二年十二月三十一日，本集團與四名中國商業客戶訂約承擔支付年租開支，以取得在上述商業客戶所擁有的各購物中心的指定地區及各公路旁出售廣告空間的獨家權利，期限為五至十年。該等為期一年以下、兩年五年以及五年以上的協議的日後付款總額分別為人民幣10,000,000元、人民幣84,000,000元及人民幣201,000,000元。

根據本集團與JingFeng Shenyang Real Estate Development Co., Ltd、Shenyang HongFeng Real Estate Development Co., Ltd.及Shenyang ChangFeng Property Development Co., Ltd. (統稱「瀋陽房地產開發媒體擁有人」)訂立的合約協議，本集團有權取得在瀋陽房地產開發媒體擁有人所擁有的各購物中心的指定地區出售廣告空間的獨家權利，期限為十年。本集團同時有責任在未來十年支付年租開支，合共達人民幣295,000,000元。於二零一三年三月二十日，本集團與瀋陽房地產開發媒體擁有人訂立現有協議的增補，訂明任何風險和報酬(包括所取得的獨家權利及支付年租開支的責任)將會於協議終止時解除，前提是本集團須連續兩年蒙受營運虧損。據此，由於未能確定日後營運虧損何時出現，因此無法就責任金額作出可靠估計。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 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.

(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 2012:

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
Ms. Zheng Shou Ling 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
China TopReach Inc. 中國天瑞控股有限公司	A significant shareholder of the Company 本公司的主要股東

35 關連人士交易

就本合併財務報表而言，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，該人士即被認為與本集團有關聯（反之亦然）。關連人士可以為個人（主要管理人員、主要股東及／或彼等的近親）或其他實體。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實體。倘有關實體受到共同控制，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。

(a) 本公司董事認為，以下公司／個人為於截至二零一二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

35 RELATED-PARTY TRANSACTIONS (continued) (a) (continued)

35 關連人士交易 (續) (a) (續)

Name 名稱	Relationship with the Group 與本集團的關係
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
Beijing Wangxin Gaoke Information Technology Co., Ltd. 北京網信高科信息技術有限公司	Controlled by the Chief Executive Officer of the Company 由本公司首席執行官控制
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 本集團一間附屬公司的主要股東
Mr. Zhang Tie Zhu 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
Mr. Ma Xiu Bin 馬秀斌先生	A significant shareholder of the Company 本公司主要股東
Mr. Hong Pei Feng 洪培峰先生	Executive director of the Company 本公司執行董事
Mr. Yu Shi Quan 余詩權先生	Executive director of the Company/Vice President of Finance 本公司執行董事／財務副總裁
Mr. Qiang Yi Bing 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
Mr. Wang Ping 王平先生	Non-executive director of the Company 本公司非執行董事

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

35 RELATED-PARTY TRANSACTIONS
(continued)
(a) (continued)

35 關連人士交易 (續)
(a) (續)

Name 名稱	Relationship with the Group 與本集團的關係
Ms. Chen Min 陳敏女士	Non-executive director of the Company 本公司非執行董事
Mr. Qin Guo Jun 秦國君先生	A significant shareholder of a subsidiary of the Group 本集團一間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 本集團一間附屬公司的主要股東
Liaoning Baixin Media Company Limited 遼寧百信傳媒有限公司	A significant shareholder of a subsidiary of the Group 本集團一間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 由本集團一間附屬公司的主要股東控制
Ms. Chan Ching Yi 陳靜儀女士	Key Management of the Group 本集團主要管理人員
Mr. Pan Jian Ping 潘建平先生	Key Management of the Group 本集團主要管理人員
Ms. Chen Xiao Min 陳小敏女士	Key Management of the Group 本集團主要管理人員
Ms. Zhang Yan Wen 張燕雯女士	Key Management of the Group 本集團主要管理人員
Mr. Xu Kai Ning 許開寧先生	Key Management of the Group 本集團主要管理人員

Notes to the Consolidated Financial Statements

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (continued) (a) (continued)

35 關連人士交易 (續) (a) (續)

Name 名稱	Relationship with the Group 與本集團的關係
Mr. Zheng Bo Ling 鄭柏齡先生	Key Management of the Group 本集團主要管理人員
Mr. Li Gang 李剛先生	Key Management of the Group 本集團主要管理人員
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
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. Zhou Ze Yuan 卓澤淵先生	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

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。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (continued)

(b) Transactions with related parties:

The following transactions were undertaken by the Group with related parties during the year ended 31 December 2012:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Continuing transactions:	持續交易：		
Key management compensation (Note 28(c))	主要管理人員薪酬 (附註28(c))	<u>10,416</u>	<u>11,639</u>
Non – continuing transactions:			
Advertising service cost	非持續交易： 廣告服務成本	<u>1,080</u>	<u>–</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.

35 關連人士交易 (續)

(b) 與關連人士進行的交易：

本集團於截至二零一二年十二月三十一日止年度與關連人士進行以下交易：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Continuing transactions:	持續交易：		
Key management compensation (Note 28(c))	主要管理人員薪酬 (附註28(c))	<u>10,416</u>	<u>11,639</u>
Non – continuing transactions:			
Advertising service cost	非持續交易： 廣告服務成本	<u>1,080</u>	<u>–</u>

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。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	<u>4,756</u>	<u>3,491</u>
		<u>4,756</u>	<u>3,491</u>

Notes to the Consolidated Financial Statements

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties

As at 31 December 2011 and 2012, the balances are unsecured, interest-free and are repayable on demand.

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	6,516	1,760

The maximum balance due from a significant shareholder of the Company during the year ended 31 December 2012 was RMB6,516,000.

35 關連人士交易 (續)

(c) 與關連人士存有的結餘

於二零一一年及二零一二年十二月三十一日，結餘為無抵押、免息及應要求償還。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
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	2,104	500
Spouse of the Chief Executive Officer of the Group	本集團首席執行官的配偶	6	667
Key management of the Group	本集團主要管理人員	12	1,363
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	262	177
		2,384	2,707
Amounts due from a director:	應收一名董事款項:		
Mr. Hong Peifeng	洪培峰先生	–	362
		8,900	4,829

於截至二零一二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6,516,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties (continued)

As at 31 December 2011 and 2012, the balances are unsecured, interest-free and are repayable on demand. The maximum balance due from Mr. Hong Peifeng during the year ended 31 December 2012 was RMB362,000.

35 關連人士交易 (續)

(c) 與關連人士存有的結餘 (續)

於二零一一年及二零一二年十二月三十一日，結餘為無抵押、免息及應要求償還。於截至二零一二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362,000元。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Amounts due to directors:	應收董事款項：		
Mr. Chen Zhi	陳志先生	762	286
Mr. Hong Peifang	洪培峰先生	50	-
Mr. Zhang Tiezhu	張鐵柱先生	141	416
Others	其他	106	56
		1,059	758

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35 RELATED-PARTY TRANSACTIONS (continued)

(c) Balances with related parties (continued)

The balances mainly represent the directors' fee payable to the directors.

35 關連人士交易 (續)

(c) 與關連人士存有的結餘 (續)

該等結餘主要指應付董事的董事袍金。

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	-	157
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
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
Key management of the Group	本集團主要管理人員	-	40
		-	367
		1,059	1,282

All the above balances are unsecured, interest-free and repayable on demand.

上述所有結餘均為無抵押、免息及應要求償還。

Amount due to a related party – non-trade (non-current portion)

A non-controlling shareholder of a subsidiary of the Group

應付一名關連人士款項 – 非貿易 (非流動部分)

本集團一間附屬公司的一名非控股股東

51,441	68,600
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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的結餘為無抵押、免息及無固定還款期，並須按本集團與該名非控股股東的相互協議償還。

36 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 2012 were approximately RMB3,975,000 (2011: RMB4,439,000). No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

37 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.

36 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所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若干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金計劃的唯一責任乃根據計劃作出所規定的供款。

截至二零一二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3,975,000元（二零一一年：人民幣4,439,000元）。概無沒收供款可用作減少未來年度本集團應付供款。

37 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%可於授出日期一年後行使，另外30%可於授出日期兩年後行使，餘下30%則可於授出日期三年後行使。

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37 STOCK OPTIONS SCHEME (continued)

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

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 2012, the equity-based compensation expenses amounted to RMB2,362,000 (2011: RMB5,361,000).

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

- (i) Movement of Pre-IPO Share Option Scheme during the year ended 31 December 2011 and 2012 is as follows:

		Exercise Price 行使價 (HK\$) (港元)	Number of Option 購股權數目
At 1 January 2011,	於二零一一年一月一日、		
31 December 2011 and	二零一一年十二月三十一日及		
31 December 2012	二零一二年十二月三十一日	<u>1.82</u>	<u>27,456,156</u>

As at 31 December 2012, no options were exercisable. All of the outstanding share options will be expired by 2 December 2014.

37 股份期權計劃 (續)

(a) 首次公開發售前購股權計劃 (續)

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。截至二零一二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2,362,000元（二零一一年：人民幣5,361,000元）。

每份購股權賦予持有人認購本公司一股普通股的權利。

- (i) 首次公開發售前購股權計劃於截至二零一一年及二零一二年十二月三十一日止年度的變動如下：

於二零一二年十二月三十一日，並無購股權可予行使。所有尚未行使的購股權將於二零一四年十二月二日期滿。

Notes to the Consolidated Financial Statements

合併財務報表附註

37 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 2011 and 2012 is as follows: (continued)

The weighted average fair value per share option granted during the period is determined by using the binomial option pricing model and it was HK\$0.57 per option. The significant inputs into the Binomial option pricing model in determining the fair value of the share options granted by the Company are: the fair market value at the grant date of HK\$1.79 per option, exercise price of HK\$1.82, volatility of 40.66%, expected option life of 4.4 years, dividend yield of 0%, and risk-free annual interest rate of 1.493%. Expected volatility is estimated based on historical volatility of the comparable companies over the period that has the same length as the expected life of each grant.

37 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二零一一年及二零一二年十二月三十一日止年度的變動如下：(續)

按二項式期權定價模型釐定已於期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。

		Held at 31 December 2011 於二零一一年 十二月三十一日 持有	Granted during the period 於期內授出	Held at 31 December 2012 於二零一二年 十二月三十一日 持有	Grant date 授出日期	Expiry date 到期日
Directors	董事	24,161,417	-	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	3,294,739	-	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>		

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合併財務報表附註

37 STOCK OPTIONS SCHEME (continued)

(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").

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.

37 股份期權計劃 (續)

(b) 購股權計劃

根據本公司股東於二零一零年十一月八日通過的書面決議案，本公司於二零一零年十一月八日採納購股權計劃（「購股權計劃」）。購股權計劃旨在獎勵或回饋(i)本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；(ii)本公司或其任何附屬公司的任何董事（執行或非執行董事，包括獨立非執行董事）；或(iii)本公司或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。

37 STOCK OPTIONS SCHEME (continued)

(b) Share Option Scheme (continued)

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.

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.

37 股份期權計劃 (續)

(b) 購股權計劃 (續)

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%。於任何十二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。

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，倘在任何十二個月期間內，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（包括已行使、已註銷及未行使的購股權）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。

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37 STOCK OPTIONS SCHEME (continued)

(b) Share Option Scheme (continued)

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 2012, no share option had been granted under the Share Option Scheme.

38 CONTINGENT LIABILITIES

The Group follows the guidance of IAS37 "Provisions, Contingent Liabilities and Contingent Assets" to determine when should contingent liabilities be recognised, which requires significant judgement.

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.

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.

37 股份期權計劃 (續)

(b) 購股權計劃 (續)

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十年。購股權於獲行使前並無必須持有的最短期限，惟董事會另有施加者則作別論。於二零一二年十二月三十一日，並無根據購股權計劃授出任何購股權。

38 或有負債

本集團遵照國際會計準則第37號「撥備、或有負債及或有資產」的指引釐定應何時確認或有負債，而確認時須作出重大判斷。

當有可能產生責任，惟其存在與否須透過非本集團所能控制的未來事件確定；或當不可能計算責任所涉金額，則會披露或有負債。任何目前未有確認或披露的或有負債一旦實現，均可能對本集團的財務狀況造成重大影響。

本集團會審閱重大的待決訴訟，以評估是否有需要計提撥備。所考慮的因素包括訴訟的性質、損害賠償的法律程序及潛在水平、法律顧問的意見及見解以及管理層對回應訴訟的意向。倘估計及判決不能反映實際結果，則可能嚴重影響期內業績及財務狀況。

38 CONTINGENT LIABILITIES (continued)

(a) Lawsuits between the Group and Shenyang Media Corporation

On 26 July 2011, Shenyang Media Corporation unilaterally terminated the Comprehensive Cooperation Contract with the Group.

The Group received a summons issued by the Shenyang Intermediate People's Court in Liaoning Province (the "Shenyang Intermediate People's Court") on 25 October 2011, where Shenyang Media Corporation claimed the Group for, among others, a total sum of RMB17,328,767 being the outstanding advertising fees payable by the Group to Shenyang Media Corporation (the "Case 1").

On 22 December 2011, the Group filed summons of claim to the Higher People's Court of Liaoning Province (the "Higher People's Court") against Shenyang Daily Agency and Shenyang Media Corporation, where the Group claimed Shenyang Daily Agency and Shenyang Media Corporation for, among others, a total sum of RMB105,579,352, being the outstanding advertising fees payable by Shenyang Daily Agency and Shenyang Media Corporation (the "Case 2") to the Group.

On 8 March 2012, the Group received a civil judgment issued by the Higher People's Court in relation to Case 2, pursuant to which the Higher People's Court decided to refer the case back to the Shenyang Intermediate People's Court. As advised by the PRC legal counsel, the Group has lodged an appeal to the Supreme People's Court of the PRC (the "Supreme People's Court") on 13 March 2012 to request the Supreme People's Court to overrule the Higher People's Court's decision.

38 或有負債 (續)

(a) 本集團與瀋陽傳媒公司的訴訟

於二零一一年七月二十六日，瀋陽傳媒公司單方面解除與本集團的全面合作合約。

於二零一一年十月二十五日，本集團收到遼寧省瀋陽市中級人民法院（「瀋陽市中級人民法院」）發出的傳票，據此，瀋陽傳媒公司向本集團提出索償（其中包括）總額人民幣17,328,767元，即本集團應付瀋陽傳媒公司的未付廣告費（「案件一」）。

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（其中包括）總額人民幣105,579,352元，即瀋陽日報社及瀋陽傳媒公司應付予本集團的未付廣告費（「案件二」）。

於二零一二年三月八日，本集團收到高級人民法院有關案件二的民事裁定書，據此，高級人民法院裁定將該案件發還瀋陽市中級人民法院審理。根據中國法律顧問的意見，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」）提出上訴，請求最高人民法院駁回高級人民法院的裁定。

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合併財務報表附註

38 CONTINGENT LIABILITIES (continued)

(a) Lawsuits between the Group and Shenyang Media Corporation (continued)

On 30 August 2012, the Group received a judgment of first instance awarded by the Shenyang Intermediate People's Court in relation to Case 1, in which the Group was ordered to pay Shenyang Media Corporation RMB17,250,398 as advertising fees together with court fees within 10 days after the judgment becomes effective. On 6 September 2012, the Group has lodged an appeal to the Higher People's Court to seek to revoke the judgment of first instance in due course.

On 27 December 2012, Higher People's Court of Liaoning Province ordered the judgment of first instance on 30 August 2012 should be dismissed and a retrial of Case 1 at the Shenyang Intermediate People's Court was ordered. As advised by the PRC legal counsel, the management believes that it is not probable that this litigation would result in a material outflow of economic benefits from the Group.

Nevertheless, the management takes into consideration of the facts and circumstances, including the probable outcome of the litigation between the Group and Shenyang Media Corporation, the prolonged period to obtain a final judgment in respect of the legal proceeding, and its ability to enforce court decision to collect the amount when the final judgment is reached and hence, determined to make full provision of the deposit and prepayment made to Shenyang Evening News amounted to RMB43,780,000 as at 31 December 2012.

38 或有負債 (續)

(a) 本集團與瀋陽傳媒公司的訴訟 (續)

於二零一二年八月三十日，本集團收到瀋陽市中級人民法院就案件一作出的一審判決，據此，本集團被頒令於判決生效後的十天內，向瀋陽傳媒公司支付人民幣17,250,398元廣告費，連同庭費。於二零一二年九月六日，本集團向高級人民法院提出上訴，尋求在適當時間撤回一審判決。

於二零一二年十二月二十七日，遼寧省高級人民法院頒令撤銷於二零一二年八月三十日作出的一審判決，並頒令於瀋陽市中級人民法院重審案件一。誠如中國法律顧問所建議，管理層相信，該訴訟不大可能會導致本集團有重大經濟利益流出。

然而，管理層已考慮各項事實及情況，包括本集團與瀋陽傳媒公司之間的訴訟的可能結果、就法律程序取得最終判決的時間漫長以及其執行法院判決以收回達致最終判決時的金額的能力，因此釐定於二零一二年十二月三十一日就人民幣43,780,000元的已付瀋陽傳媒公司按金及預付款項作出全數撥備。

38 CONTINGENT LIABILITIES (continued)

(b) Enforcement order issued by Yueyang City Intermediate People's Court ("Yueyang Intermediate People's Court") against the Group.

On 4 June 2012, Yueyanglin Paper Co., Ltd. has filed a civil claim against Southeast Express and Lifestyle Express in respect of an outstanding payment of RMB31,859,018 relating to certain sales made in prior years.

On 10 July 2012, Yueyang Intermediate People's Court has made a civil judgement that Southeast Express and Lifestyle Express shall pay Yueyanglin Paper Co., Ltd. the aforesaid amount.

On 26 October 2012, Yueyang Intermediate People's Court issued an enforcement order which stated that there were intentional transfer of assets, such as connected transactions or confusion of properties, between Southeast Express, Lifestyle Express, and the Group in order to against the civil judgment and hence, Yueyang Intermediate People's Court ordered to freeze the cash and assets of the Company and its wholly owned subsidiaries, including Fuzhou AoHai Advertisement Co., Ltd. and Kunming AoHai Advertising Co.,Ltd. up to a maximum amount of RMB31,859,018 under the enforcement letter.

As advised by the PRC legal counsel, on 8 November 2012, the Group has submitted an objection application to the Higher People's Court of Hunan Province with a copy sent to Higher People's Court of Hunan Province to object and rescind the enforcement order.

38 或有負債 (續)

(b) 岳陽市中級人民法院(「岳陽市中級人民法院」)針對本集團出具的執行裁定書

於二零一二年六月四日，岳陽林紙股份有限公司就過往年度進行若干銷售涉及的尚未償還付款人民幣31,859,018元向東南快報社及生活新報社提出民事索償。

於二零一二年七月十日，岳陽市中級人民法院出具民事判決書，頒令東南快報社及生活新報社須向岳陽林紙股份有限公司支付上述金額。

於二零一二年十月二十六日，岳陽市中級人民法院出具執行裁定書，當中載述東南快報社及生活新報社與本集團之間存在有意轉移資產(例如關連交易或財產混同)，以對抗民事判決書。因此，岳陽市中級人民法院依據執行裁定書頒令凍結本公司及其全資附屬公司(包括福州奧海廣告有限公司及昆明奧海廣告有限公司)不超過最高價值人民幣31,859,018元的現金和資產。

誠如中國法律顧問所建議，於二零一二年十一月八日，本集團已向湖南省高級人民法院提交異議申請(申請副本已同時送交湖南省高級人民法院)以就執行裁定書提出異議，並要求解除有關執行裁定書。

Notes to the Consolidated Financial Statements

合併財務報表附註

38 CONTINGENT LIABILITIES (continued)

(b) Enforcement order issued by Yueyang City Intermediate People's Court ("Yueyang Intermediate People's Court") against the Group. (continued)

As at 31 December 2012, RMB12,890,171 of cash deposits in four bank accounts in the PRC of the Group have been temporarily frozen by Yueyang Intermediate People's Court under the enforcement order.

On 30 January 2013, the Group has received the enforcement judgment issued by the Higher People's Court of Hunan Province to revoke the enforcement order issued by Yueyang Intermediate People's Court on 26 October 2012. Yueyanglin Paper Co., Ltd. has subsequently lodged an appeal to the Higher People's Court of Hunan Province to request for overruling the judgment. According to the advice from the Group's PRC legal counsel, the best knowledge, information and belief of the directors, management believes that it is not probable that this enforcement letter would result in a material outflow of economic benefits from the Group. Accordingly, no provision for loss of the RMB12,890,171 cash deposit nor any amount in the context of the outstanding payment the enforcement letter issued by Yueyang Intermediate People's Court has been made as at 31 December 2012.

38 或有負債 (續)

(b) 岳陽市中級人民法院 (「岳陽市中級人民法院」) 針對本集團出具的執行裁定書 (續)

於二零一二年十二月三十一日，根據執行裁定書，本集團存放於中國四個銀行賬戶的人民幣12,890,171元的現金存款已被岳陽市中級人民法院暫時凍結。

於二零一三年一月三十日，本集團收到湖南省高級人民法院出具的執行裁定書，撤銷岳陽市中級人民法院於二零一二年十月二十六日出具的執行裁定書。岳陽林紙股份有限公司其後向湖南省高級人民法院提出上訴，請求駁回有關裁定。按照本集團中國法律顧問的意見，就董事所深知、盡悉及確信，管理層相信該執行裁定書不大可能會導致本集團有重大經濟利益流出。因此，本集團於二零一二年十二月三十一日並無就人民幣12,890,171元的現金存款或岳陽市中級人民法院出具的執行裁定書所涉及的任何尚未償還付款額計提虧損撥備。

