ANNUAL REPORT 2015 年報

Stock code 股份編號:00623

SinoMedia®

中視金橋國際傳媒控股有限公司

SinoMedia Holding Limited

About us

SinoMedia Holding Limited (the "Company" or "SinoMedia") and its subsidiaries (collectively the "Group") is a leading media corporation in China. With the focus on consolidating an "TV + Internet + Mobile Internet" inter-screen communication marketing platform, the Group actively developing digital business segment, and continuously strengthening TV business segment. Its current businesses cover intelligent programmatic advertisement placing platform — iBCP, Internet media platforms, innovative production of advertisement and contents, operation of CCTV media resources, public service advertising broadcast network, mobile media and overseas media. SinoMedia enjoys the marketing advantage in vertical fields of travel destinations and agriculture. It integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional and high-quality brand communication services to approximately 3,000 clients worldwide.

Contents

04 Financial Summary

05 Corporate Information

06 2015 Year in Review

10 Awards and Recognition

14 Chairman's Statement

18 Management Discussion and Analysis

28 Directors and Senior Management

42 Corporate Governance Report

54 Corporate Social Responsibility Report

62 Directors' Report

73 Independent Auditor’s Report
74 Consolidated Statement of Profit or Loss
75 Consolidated Statement of Profit or Loss and Other Comprehensive Income
76 Consolidated Statement of Financial Position
78 Consolidated Statement of Changes in Equity
79 Consolidated Cash Flow Statement
80 Notes to the Financial Statements
167 Five Year Summary

Financial Summary

RMB'000	For the year ended 31 December 2015	For the year ended 31 December 2014	Change (%)
Revenue	**1,256,871**	1,634,652	-23%
Profit from operations	**172,259**	424,126	-59%
Profit attributable to equity shareholders of the Company	**121,673**	306,571	-60%
Earnings per share (RMB)			
— Basic	**0.220**	0.542	-59%
— Diluted	**0.217**	0.528	-59%
Proposed dividends per share (HKD)	**10.58 cents**	27.00 cents	-61%

Revenue:

RMB'000	For the year ended 31 December 2015	For the year ended 31 December 2014	Change (%)
Media resources management	**1,171,265**	1,510,881	-22%
Integrated brand communication services	**25,274**	34,037	-26%
Internet media and content operations	**29,069**	54,961	-47%
Rental income	**51,218**	58,837	-13%
Sales taxes and surcharges	**(19,955)**	(24,064)	-17%
	1,256,871	1,634,652	

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chen Xin *(Chairman)*

Ms. Liu Jinlan

Mr. Li Zongzhou

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing

Mr. Lian Yuming

Ms. Wang Xin

Mr. He Hui David

AUDIT COMMITTEE

Mr. Qi Daqing *(Chairman)*

Mr. Lian Yuming

Ms. Wang Xin

REMUNERATION COMMITTEE

Ms. Wang Xin *(Chairman)*

Mr. Chen Xin

Mr. Lian Yuming

NOMINATION COMMITTEE

Mr. Chen Xin *(Chairman)*

Mr. Lian Yuming

Ms. Wang Xin

COMPLIANCE COMMITTEE

Mr. Li Zongzhou *(Chairman)*

Mr. Wang Yingda

COMPANY SECRETARY

Mr. Wang Yingda

AUTHORISED REPRESENTATIVES

Mr. Chen Xin

Mr. Wang Yingda

PRINCIPLE PLACE OF BUSINESS

7/F, The Place – SinoMedia Tower,
No.9 Guanghua Road, Chaoyang District,
Beijing, PRC

Unit 15D, Xintian International Plaza,
No.450 Fushan Road, Pudong New District,
Shanghai, PRC

REGISTERED OFFICE OF THE COMPANY

Unit 402, 4th Floor, Fairmont House,
No. 8 Cotton Tree Drive, Admiralty,
Hong Kong

AUDITORS

KPMG

SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31/F, 148 Electric Road, North Point,
Hong Kong

WEBSITE

www.sinomedia.com.hk

March

03

Roadshow of SinoMedia Brand Communication Series Forum held in five cities

"Acting according to the dynamic of the world with the introduction into the future with wisdom" — SinoMedia Brand Communication Series Forum held across five major cities in Eastern China, Central China and Southern China. It focused on the changes and challenges of the prevailing media communication environment. It helped over 300 advertisers and channel partners in clarifying their ideas, delivering the value, and elaborating how to respond to the changing habits of consumers, how to choose specific integrated communication strategies and how to choose media carriers and the form of communication correctly. This series of forum involved all senior management and professionals in the fields such as data research, strategic integration, content innovation and media marketing within the industry and SinoMedia. It provided advice for the advertisers from different perspectives throughout nearly 30 keynote speeches in five rounds of forums.

April

04

www.wugu.com.cn (吾谷網) was accredited as the Advanced Unit in New Rural Construction in Beijing

wugu.com.cn was granted with the honorary title of the "Advanced Unit in New Rural Construction" at the Rural Work Conference in Beijing. Those awarded with such title were mainly the units from various districts, counties, towns and villages in Beijing and the leading state-owned enterprises. Other awarded units included PICC Property and Casualty Company Limited, Postal Savings Bank of China (Beijing Branch) and Baidu Online Network Technology (Beijing) Co., Ltd.. Since 2014, wugu.com.cn has been constantly providing brand planning as well as brand communication and promotion services, spanning from online platform to offline services, to rural cooperative and agricultural enterprises, so as to actively promote the construction and development of Beijing's One Village, One Product (一村一品).

Full coverage of the live broadcasting of 2015 World Cyber Arena (WCA) by www.boosj.com (播視網)

As one of the partners in live broadcasting of 2015 WCA, boosj.com, together with Tencent, Sina, Sohu, PPTV and iQIYI.COM, stepped up to the live broadcasting strategic platform of 2015 WCA. Through the synchronisation of webpages and mobile phones, users were provided with full coverage of live broadcasting and selected clips of the event, which allowed the fans to enjoy the amazing moment of WCA in a timely manner. Leveraged on the live broadcasting of WCA, boosj.com advanced to a new stage in the development of the vertical channels of video games. Currently, not only does boosj.com provide high quality video games with tactics and commentary of the latest online games, mobile games, single player games and competitive games for the players, but also provides free upload and sharing services of video games for users which attracts hundreds of thousand users to watch online each day.

2015 Year in Review

July
07

SinoMedia held 2015 China Agriculture Development Forum

SinoMedia organised 2015 China Agriculture Development Forum under the theme of "Internet + Agriculture, Integration of Industries in the New Era". Uphold the theme of "Internet + Agriculture", the forum targeted to breakthrough the "last kilometre" of the information services of the three agricultural issues within the four main topics, namely "trends, cross-border, brands and channels", and investigate into the "Significant Integration" of "Internet +" assisting agricultural development from different perspectives such as policy, market and finance. Leaders such as Sun Xiaoyu (孫曉郁), the chairman of China International Association for Urban and Rural Development, Chen Xiaohua (陳曉華), the vice minister of the Ministry of Agriculture, Zhang Hecheng (張合成), the director of the Department of Market and Economic Information of the Ministry of Agriculture, and He Yupeng (何宇鵬), the vice minister of the Research Department of Rural Economy under the Development Research Center of the State Council attended the forum and delivered wonderful speech. During the period of the forum, a launching ceremony of the Internet online platform of "One Village, One Product" under the Ministry of Agriculture cum the signing of the strategic partnership agreement between Beijing Municipal Commission of Rural Affairs and SinoMedia were held.

October 10

SinoMedia won the bid of the promotion project in China from Europe Travel Commission

SinoMedia won the bid of the project from Europe Travel Commission and captured its promotional business in Chinese market. SinoMedia was entrusted by Europe Travel Commission to enhance the brand awareness of Europe in China through the collaboration with mainstream media and major travel agencies in China in order to attract more Chinese visitors to visit various European countries.

SinoMedia established Agriculture Media Division

SinoMedia established Agriculture Media Division in order to leverage on the advantage of inter-screen communication between Internet and TV media and develop into an information and brand promotion platform for the agriculture industry chain services. The establishment of the Agriculture Media Division conformed to the policy and industrial development trend of China. It is committed to serving the upstream and downstream along the agriculture industry chain to provide farmers and agricultural practitioners with information services such as production, operation and sales.

November

11

SinoMedia launched iBCP system which lead to the new trend of digital marketing intelligence

SinoMedia launched its self-developed intelligent programmatic advertisement placing platform named iBCP (Intelligent Brand Cloud Platform), which formally developed the digital marketing business. iBCP features intelligence, branding, communication and cloud service as the core marketing approaches, and builds the advertising ecosystem with "screen" as the main channel. It realised the in-house advertising placement via TV, PC, mobile terminals and mutual communication outdoor screens (interactive LED screens) in one stop. SinoMedia's iBCP upgraded the traditional RTB (Real-time Bidding) model to achieve high intelligent bidding and intelligence optimisation of placement strategy. It implemented stringent requirement of "Professionalism, Integrity, Standardisation" for the establishment of new industry standard of digital advertising placement to provide advertisers with reliable digitalised branding services.

SinoMedia helped Wanglaoji (王老吉) to win the No.1 Bid of Xinwen Lianbo (新聞聯播)

Wanglaoji, a herbal tea brand in China with SinoMedia as its agent, won the "No.1 Bid" of the first advertising slot after Xinwen Lianbo in the golden resources tender of CCTV. The in-depth cooperation established between SinoMedia and Wanglaoji leveraged on the innovative marketing thinking and put the four new branding rationales, namely "new environment, new standards, new appearance, new development", into practice. They joined hands with the big platform of CCTV to maximise the strength to bring into a new level of cross-border marketing.

www.lotour.com (樂途旅遊網) was awarded "Shaping China 2015 Innovative Brands"

lotour.com was awarded "Shaping China 2015 Innovative Brands" in 2015 (the 4th) China Business Leaders & Media Leaders Annual Conference. Being granted with such award, it is fully proved that lotour.com, as the leading tourist destination media in China, has constantly delivered innovation and development in the tourism destination marketing, and inspired users with ideas of travelling in recent years. By launching distinguished tourism products and travel styles, it was highly recognised by the industry.

December

12

SinoMedia exclusively underwrites CCTV-9 Documentary Channel

SinoMedia obtained the exclusive underwriting right of all programmes on CCTV Documentary Channel (CCTV-9) for 2016. Being the sole national documentary channel with coverage across the country, CCTV-9 broadcasts finest documentaries about nature, geography, culture, politics and history around the clock, including the well-known "A Bite of China". In 2013, CCTV-9 was recognised as "the Channel with the Strongest International Influence in China" by virtue of its efforts on promoting the development of the domestic documentary industry in China as well as presenting various facets and truly reflecting the reality of China to foreign countries. SinoMedia secured this exclusive underwriting right of all programmes on CCTV-9 in order to provide more professional, extensive and influential multidimensional communication services for more advertisers. Leveraging on the exceptional communication value and the strong competitiveness of CCTV-9, this partnership can provide a "high-end, high-quality, high-importance" brand communication platform for all enterprises.

Company Honours

Award:	China Advertising Great Wall Awards — Media Marketing Bronze Award
Time Period:	November 2015
Awarded by:	China Advertising Association
Award Description:	China Advertising Great Wall Awards appraise and reward those commercial advertisements publicly released in media during the year based on the criteria of creativity and production. Awards entries must fulfill three requirements: (i) it shall convey the message in a creative, accurate and clear manner with originality and impact; (ii) it shall be well made to be fascinating as well as systematic; and (iii) it shall not violate ethnic and religious beliefs, policy towards nationalities, relevant laws and regulations and public preference. China Advertising Association, established in 1983, is an institution directly under the State Administration for Industry and Commerce, and an industry organisation of the advertising industry in China. The association is voluntarily formed by advertisers, advertisement operators, advertisement publishers, companies and organisations related to the advertising industry across the country, which all possess certain qualifications.

Award:	China Advertising Great Wall Awards — 2014 Advertisers' Gold Partner Award
Time Period:	November 2015
Awarded by:	China Advertising Association
Award Description:	The nominees of the Gold Partner Award under the China Advertising Great Wall Awards are advertising media, advertising agencies and advertising service agencies of certain scale with professional strengths which established good partnership with advertisers in terms of corporate brand strategy, brand communication, advertising planning, creative advertising and advertising placement.

Awards and Recognition

Award: China 4A 2015 Outstanding Contribution Award

Time Period: November 2015

Awarded by: China Advertising Association of Commerce

Award Description: China Advertising Association of Commerce is the oldest nationwide advertising industry organisation established in China. Having drawn on worldwide experiences, it gathered local advertising companies with strong financial strength, good reputation and high service standards as well as successful advertising joint ventures in China, jointly formed China 4A, a high-end advertising organisation in China. China 4A aims to set up an association of the advertising industry with the highest standard of service, innovation, strength and integrity and the strongest social influence. Industry standards and professional work practices were established to enhance the status and social image of the entire advertising industry in China and nurture talents for it. China 4A is the abbreviation of “THE ASSOCIATION OF ACCREDITED ADVERTISING AGENCIES OF CHINA”.

Award: www.lotour.com (樂途旅遊網) - Shaping China 2015 Innovative Brands

Time Period: December 2015

Awarded by: Shaping China 2015 Brand Ceremony

Award Description: Brand Contributors - Shaping China 2015 Brand Ceremony was initiated and held by China Business Leaders and Media Leaders Annual Conference, which symbolises the cross-border integration and communication of the business sector and the media sector in China. Known as the “Oscars” of the brand communication sector in China, the “Brand Contributors” of Shaping China 2015, turned out after four months of selection, is not only a comprehensive and credible leaderboard, but also the weathercock of influence in the brand communication industry. This honour perfectly proves that lotour.com, as the leading tourist destination media in China, has constantly delivered innovation and development in the tourism destination marketing, and inspired users with ideas of travelling in recent years. By launching distinguished tourism products and travel styles, it was highly recognised by the industry.

Professional Honours

Award-winning Work:	SinoMedia 2014 Annual Report
Award:	ARC Printing & Production Honors Award, ARC Photography Silver Award, ARC Illustrations Silver Award and ARC Interior Design Honors Award
Time Period:	June 2015
Awarded by:	ARC International Panel of Judges
Award Description:	ARC International Annual Report Competition, currently one of the largest international competitions for annual reports, is known as the "Oscars of Annual Reports". The assessment criteria of the competition are based on the creativity of design, clarity of presentation, effectiveness of elaboration on corporate philosophy and the effort to strive for excellence. A total of 2,260 corporations, non-profit organisations and government departments from 34 countries and regions around the world were attracted to participate in the competition this year. The panel of judges consisted of professionals in the investor relations and financial sector, authors, designers and photographers from over 90 organisations and corporations. The scope of assessment included cover design, chairman's letter, interior design, professionalism of the written text, photography, presentation skills of the company's key message, presentation of financial data and delivery of the spirit of enterprise of the annual reports.

Award-winning Work:	SinoMedia 2014 Annual Report
Award:	Silver Award for Annual Report 2014 by LACP, Top 40 Annual Reports in China
Time Period:	July 2015
Awarded by:	League of American Communications Professionals
Award Description:	LACP is casted by League of American Communications Professionals LLC, a world renowned marketing research agency. Its awards for annual reports, known as the "Olympics of Corporate Annual Reports", are recognised as highly professional and authoritative in the industry. SinoMedia 2014 Annual Report was themed as "steady". The main visual was developed based on the triangular element from the logo of SinoMedia and spiral staircase, which symbolised the steady step-by-step development of the Group during the year under review.

Awards and Recognition

Personal Honours

Winner:	Liu Baofu
Award:	China Advertising Notables
Time Period:	November 2015
Awarded by:	China Advertising Hall of Fame
Awards Description:	Jointly established by the Advertising Professional Committee of the China Advertising Association of Commerce (known as “China 4A”), Advertising Museum of China and National Institute of Advertising (國家廣告研究院), China Advertising Hall of Fame aims to honour those who made significant contributions to the development of the advertising industry in China. Its objective is to recognise, document and inherit the historical contributions made by outstanding advertising figures, so as to drive the future development of the advertising industry in China, and learn and tribute to the forerunners who made significant contributions to the development of the advertising industry in China.

Winner:	Liu Xuming
Award:	Shaping China 2015 Brand Leader
Time Period:	December 2015
Awarded by:	Shaping China 2015 Brand Ceremony
Awards Description:	Brand Contributors — Shaping China 2015 Brand Ceremony was initiated and held by China Business Leaders and Media Leaders Annual Conference, which symbolises the cross-border integration and communication of the business sector and the media sector in China. Known as the “Oscars” of the brand communication sector in China, the “Brand Contributors” of Shaping China 2015, turned out after four months of selection, is not only a comprehensive and credible leaderboard, but also the weathercock of influence in the brand communication industry. Mr. Liu Xuming currently serves as the Chief Operation Officer of SinoMedia and the Chairman of lotour.com.

Chairman's Statement

The Group has experienced accelerated changes in media advertising industry in 2015. Driven by new media, new technologies, new capital and new operating model, there is integration under transition concentrated in traditional media. Facing constant challenges of the descending scale of traditional advertising market, particularly the TV advertising industry, we advanced forward without uncertainty and consolidated the leading edge of the market share of our core resources. Meanwhile, we proactively expanded overseas market. With solid and innovative business, we adhered to develop internet media and completed an important investment arrangement of the Group's future growth drivers in digital marketing.

Despite the fact the revenue for the CCTV-based TV advertising business was suppressed in TV business which represents the influence of SinoMedia's professionalism, services and brands, we adjusted our strategy, in particularly, we adhered to optimise the allocation of media resources. With the provision of advanced media products and marketing strategy for clients as our responsibility, we adjusted and introduced supporting resources and further extended by CCTV towards the international mainstream TV media so as to create a new communication direction for more emerging industries and collaborative clients. Abundant resources together with solid expansion, our overall TV advertising agency business rapidly developed from the domestic market towards the overseas markets. Under the instruction of the strategy of "Going Out and Coming In", the brand value of the global tourist destination communication experts of "SinoMedia" was effectively consolidated.

The area of digital business is the strategic sector under the development with Group's efforts recently. Leveraging on the cultivation of constant investment, we realised a fast breakthrough by the end of 2015. In November 2015, the Group launched its self-developed intelligent programmatic advertisement placing platform — iBCP, which leads in the technology of the domestic market that provided full support of "technology plus branding services" for the diversified needs of communication. Leveraging on the unique advantages of the platform, and applying intelligence, branding, communication and cloud services as the core marketing strategies, iBCP established an advertising ecological chain by using "screen" as the main channel. National patent of its advanced iRTB model has been applied successfully, and the application of patents of some unique technologies such as anti-cheating system and reverse matching strategy is also in progress. The total user resources frequency of the storage media for version 3.0, which is expected to be launched by the end of 2016, will be more than 15 billion each day that realised mobility and visualised placement. The self-established digital management platform (DMP) will cover 90% of the internet user in China. wugu.com.cn, lotour.com and boosj.com under the Group excavated deeply in their respective vertical fields with compacted contents for productivity. From its own editorial team, UGC (User Generated Contents) to PGC (Professional Generated Contents), they gradually increased user's interest and interaction dependence. Facing the new agricultural blue ocean, the Group established the agriculture media business division to integrate the sales resources, business and team spirit between wugu.com.cn and CCTV-7 Military and Agriculture Channel so as to unleash the inter-screen propagation advantage of internet + TV and establish the information and branding promotion platform for the agricultural industry chain.

No matter for the areas of TV business or digital business, the arrangement of business upgrade is the Group's transformation in facing the future development needs to adapt to the background of the age and the industry, the Group's realisation of the establishment of fast breakthrough in the area of digital marketing, the driver for the increase of the proportion of the Group's digital business group in the personnel structure and income structure, as well as the Group's source of long-term sustainability and prosperity.

Entering into a new year, although the society, enterprises and every single individuals with economic behaviour are in the process of adapting the new normal, the Group firmly believes that China is still in an important period of strategic opportunities and looks forward to the mid-to-long term prosperity of the economy in China. We have the patience and ability to set off from the characteristics of the current economic development stage and maintain a firm direction and stable state of mind in the promotion of the Group's strategy. In summary, SinoMedia will enhance the introduction of high-quality media resources and talents and continue to provide our clients with dissolved media branding communication services on the basis of "TV + Internet + Mobile Internet" in order to further enhance the competitiveness and company value of a "leading comprehensive media corporation".

Chen Xin
23 March 2016


Chen Xin
"Steady and Pragmatic,
Adjusting Accordingly,
Inter-screen Integration,
Breakthroughs with Innovation"


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REPORT
2015
年 報

穩健

Healthy and Steady

Management Discussion and Analysis

ABOUT THE GROUP

In 2015, the "new normal" media advertising market in China has presented challenges for the fast development of the Group. However, the ingrained entrepreneurial gene of SinoMedia continued to realise in the innovative spirit of the Group and to explore and seize the market opportunities. Besides boosting the dominant TV advertising business, the Group has steadily expanded its client base in the overseas market, developed internet media, and swiftly made strategic arrangement in the digital marketing field to drive the future growth.

For the last year, the Chinese economy featured a general slowing trend and a deepening divide in each filed. The industry restructuring has continued, reflected in the deepening division within the three key demands of consumption, investment and net export, the unbalanced growth in the regional economy, and the greater pressures on the structural deflation. Accordingly, the media and culture industry that the Group is in has been undergoing revolutionary changes. The traditional media have been trying hard to transform their business and capital operation has been frequently happening. The age of internet integration has arrived. The traditional media and the internet media alter and replace each other. The change is fast with the emerging internet media dominating the media market, while the traditional media is more aware of the urgency of reform and innovation. According to iiMedia Research, the market size of internet advertising business in China has reached over RMB200 billion in 2015, and the positive momentum will continue in the following 3 years with the market size reaching RMB412.5 billion in 2018 (Source: iiMedia Research, January 2016). According to the research of CTR Media Intelligence, in 2015, the advertising spending on the traditional media in China saw a further decline to a record low of -7.2%. On the other hand, the rising star of internet advertising recorded a year-on-year growth of 22%, which controlled the decline of the whole advertising market at -2.9% (Source: CTR Media Intelligence, February 2016).

During the year under review, the Group has implemented its strategic upgrading with numerous pressures, and demonstrated its value in both TV and digital businesses with the professional services and integrity that in line with new industry standards.

BUSINESS OVERVIEW

TV BUSINESS — TV ADVERTISING AND BRANDING SERVICES

TV advertising and branding services is the Group's traditional dominant business. During the year under review, the Group has kept a leading market share of CCTV media resources, at the same time it expanded its professional services, and further explored the overseas market, reinforcing its presence for brand communication in travel destinations at home and abroad.

1. TV Media Resources Management

During the year under review, the Group renewed approximately 11,545 minutes of advertising resources on a total of 15 programmes on channels including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), and CCTV-7 (Military and Agriculture), focusing on advantageous programmes covering news, politics, culture, agriculture and other topics. Its specific media resources include the “Night News” (晚間新聞) on CCTV-1 (General), “News 30” (新聞30分) jointly broadcasted on CCTV-1 (General)/CCTV-News (Chinese), “China News” (中國新聞), “Today’s Focus” (今日關注), “Across the Straits” (海峽兩岸), “Exposition of Chinese Cultural Relics” (國寶檔案), “China Showbiz” (中國文藝) on CCTV-4 (Chinese International, including Europe and the US), and programmes including “Zhi Fu Jing” (致富經), “Focus on the Three Agricultural Issues” (聚焦三農), “Daily Agricultural News” (每日農經) and “The Rural World” (鄉村大世界) on CCTV-7 (Military and Agriculture). SinoMedia persistently optimises its media resource portfolio. With the mission to provide the up-to-date media products, the Group manages to maintain its leading position in face of intense industry competition. In addition to the stable core resources, the Group has adjusted or introduced the complementary resources. The Group has created new communication direction for the emerging industries and advertising partners, through making the most of its insight and execution in managing media resources.

2. Integrated Brand Communication Services

During the year under review, the Group achieved a sound progress in its agency business and integrated communication services. It continued to serve clients such as Ping An Insurance (Group) Company of China, Ltd., Huiyuan Group, Jiangsu King’s Luck Brewery Joint-Stock Co., Ltd., and Tiens Group, and was also engaged by Beijing XiaojuKeji Co., Ltd. (滴滴打車), Huaxia Life Insurance Co., Ltd. (華夏人壽保險股份有限公司) and Deyufang Foods Co., Ltd. (德御坊創新食品股份有限公司) for its TV advertising placement agency business.

In addition, the International Business Department of the Group formed in the second half of the year, together with Singapore company and Hong Kong company of the Group, it took SinoMedia’s tourist and overseas destinations communication business to a whole new level. From the exclusive agency of tourist destinations to the implementation of communication programs, the business team fully utilised the existing resources and was committed to providing innovative and diversified services. The team gained core competency through the introduction of top PR talents in the domestic tourism industry, which has enabled a more extensive cooperation with international clients, further enhancing the brand value of SinoMedia as the communication expert in tourist destinations. During the year under review, the Group has reached cooperation intentions with and started to provide services to overseas clients such as Tourism Malaysia, Tourism Authority of Thailand, Tourism Ireland, Europe Travel Commission, Tourism Toronto, Ottawa Tourism, Vancouver International Airport, Turkish Airlines, Fiji Airways and the star-rated hotel group, representing an increase of 88% in client numbers compared to last year.

DIGITAL BUSINESS — iBCP (INTELLIGENT PROGRAMMING ADVERTISING PLACEMENT PLATFORM), INTERNET MEDIA AND CONTENT OPERATIONS

In the era of "Internet +", the Group is focusing on the demand iteration of integrated communications as well as the advancement in media technology, especially the marketing opportunities brought by the multi-screen interaction. Combining the set target of strategic upgrading, in the year under review, the Group introduced talents in internet technological research and development, self-developed and launched a technology leader in the domestic market — iBCP, an intelligent programming advertising placement platform, providing a comprehensive "technology + branding services" for diverse communication needs. The Group's wugu.com.cn, lotour.com and boosj.com dig deep in their respective vertical field to enhance the content output capacity. The rich contents ranging from those generated by the inhouse team, UGC (User-generated Content) to PGC (Professionally-generated Content) gradually aroused the users' interest and made them stick to the websites. Facing the blue ocean of new agriculture, the Group established Agricultural Media Department, integrating the sales resources, businesses and teams of wugu.com.cn and CCTV-7 (Military and Agriculture), in order to leverage on the strength of the internet + TV multi-screen communications and build a platform that provides information and branding services for the agricultural industrial chain.

The above arrangement for business upgrading is the reform made by the Group based on its practical needs that conforming to the times and the industrial background, an embodiment of the Group's capacity to make quick breakthrough in digital marketing field, a motivation to increase the share of digital business in the Group's revenue, and the source for the mid-to-long-term sustainable development and prosperity of the Group.

1. iBCP, AN INTELLIGENT PROGRAMMING ADVERTISING PLACEMENT PLATFORM

In November 2015, the Group launched and started to operate its self-developed iBCP (Intelligent Brand Cloud Platform) so as to expand its digital marketing business. SinoMedia iBCP identified intelligent, brand, cloud service and communication platform as the core of marketing, building an advertising ecosystem with "screen" as the main channel which provides one-stop self-serve advertising placement on TV, PC, mobile devices and interactive outdoor screen in order to achieve full integration of the traditional TV media with internet new media. Unlike the drawback of DSP (Demand-side Platform) commonly used in the market which includes the conduct of artificial optimisation on an hourly basis as well as the placement results and strategies cannot be adjusted timely, SinoMedia iBCP conducts an upgrade on the bidding mode of the traditional RTB (Real-time Bidding). SinoMedia sets up iRTB (Intelligent Real-time Bidding), an extremely intelligent bidding model, that effectively reduces labor costs with advanced bidding algorithm, and practically solves the problems of delayed feedback in artificial optimisation of the traditional RTB. High intelligent bidding and intelligent optimisation of placement strategy are fully achieved, leading the digital advertising placement to enter the age of real intelligent placement. Currently, SinoMedia iBCP has accessed more than 10 quality media including Baidu, Sohu, ifeng.com, iQIYI, letv.com, fun.tv, baofeng.com, zhanggame.com, etc. The daily available advertisement traffic reached 12.2 billion (Source: internal data).

With the cutting-edge R&D technology such as dynamic strategy adjustment, iRTB intelligent pricing system, anti-cheating system and scene marketing system as well as the brand influence of SinoMedia, SinoMedia iBCP, sticking to integrity, profession and discipline, aims to set the new industry norm for digital advertising placement, and provide responsible digital branding services to advertisers.

2. INTERNET MEDIA

1. www.wugu.com.cn (吾谷網)

In October 2015, the Group announced the establishment of Agricultural Media Department which integrated wugu.com.cn and the operation team of agricultural media resources of CCTV-7. The integration aims to strengthen the Group's multi-screen operation of agriculture-related communication business, speed up the development of agriculture-related internet media business, and ultimately deliver the multi-screen communications across internet, mobile internet and TV for SinoMedia's agricultural media business. Agricultural Media Department sticks to the positioning of media operation, providing information and branding communication services for the "Three Rural" population and the enterprises in pan-agricultural field with a focus on product development. Seeing "Better the life of farmers and villages" as its mission, the Agricultural Media Department, through TV + Internet, directly helps the "Three Rural" population and related enterprises to receive and exchange information more quickly, and to have a better brand building and promotion, accelerating the transition of traditional agriculture into "modern agriculture, brand agriculture and intelligent agriculture".

Since its operation three years ago, wugu.com.cn has been developing its business around the positioning of "China's modern agricultural information service platform". It rolled out three business sectors namely information products, application products and offline activity support which attracted more than 400,000 registered users (Source: internal data), standing out as the rising star of agricultural-related media. Following the overall plan of the Agricultural Media Department, wugu.com.cn studied how to webify the quality TV programmes for better interaction with the audiences and the users. It improved the output of original contents and fully utilised the channel advantages to get first-hand information with the aim to build the "agricultural news headline" in China. Focusing on the "One Village, One Product (一村一品) — the Origin" project which is operating at scale, wugu.com.cn further developed the cooperation with the agricultural committees and related enterprises in the origins. Furthermore, wugu.com.cn tried to increase the influence and scale of the "Internet+" agriculture summit forum organised by it.

2. www.lotour.com (樂途旅遊網)

After implementing its business feature of "a website of travel inspiration", in the year under review, lotour.com once again initiated and completed the update as scheduled. Based on the contents and focusing on the "Know You" strategy, lotour.com engaged 560 columnists, kicking off the operation of PGC (Professionally-generated Content) and "Label" system. More quality contents and the effects of opinion leaders substantially increased the net website traffic. In 2015, lotour.com's monthly average cumulative PV reached 130 million, representing a doubling year-on-year growth (Source: internal data). More and more tourist destinations cooperated with lotour.com, and the advertisers extended to airline, cruise, automobile, hotel group, financial and consumer goods and other industries.

3. www.boosj.com (播視網)

Under the positioning of "an interactive video platform that leads the healthy lifestyle", in the year under review, boosj.com refined the general concepts of "Livelihoods" into two vertical fields of "Health" and "Life". It further segmented the well-established channel "Square Dance" into "Square Dance", "Talented Kids" and "Cool Generation", each dedicated to be the industry leader in their respective segment with different target audiences. Through the update, refinement of products and experience, improvement of operation and the innovation in off-line activities, the "Square Dance" channel has become the leading online platform with national influence for square dance and fuelled the apparent growth in the website's overall online traffic. In 2015, boosj.com's daily average PV peak surpassed 3 million, and the annual website traffic was nearly 500 million, representing a year-on-year growth of 41%. The APP of "boosj Square Dance" was released with 200,000 downloads and 10,000 daily average active users (Source: internal data). boosj.com had achieved new breakthrough in its marketing revenue. Besides refining the contents in the three vertical channels, it valued the improvement of user experience on mobile terminals, adapting to the habits of users at different ages to enhance the interactions and community for an increased user engagement.

3. CONTENT OPERATIONS

In 2015, amid the sluggish traditional advertising industry, the Group saw a decrease in the number of big projects and new clients for its advertising and creative content production business, and yet there were more bidding opportunities for small projects. The Group continued to leverage on "professional services" to provide value-added services for more clients beyond their demands. Based on creativity and innovation, the Group took the most of the creative team's strength in branding and the production team's strength in packaging to launch the service of "city short animation". During the year under review, the Group provided services to the enterprises and units in the tourist destinations such as Zhejiang China Commodities City Group Co., Ltd., Administrative Committee of Jiuhuashan, Henan Province Tourism Administration, Kunshan Municipal Party Committee Propaganda Department, Pujiang Rural Affairs Committee, Agricultural Bank of China, etc.

The Group's Public Service Brand Operation Center created twenty four public service advertisements, among them, "Accompany — Go Home Series", "Mobile phone — Go Home Series" and "Say No to Second hand Smoke — a Portrait of Dad" won the awards supported by the national charity funds, to deliver the philosophy of "SinoMedia Charity" through the power of public welfare projects.

FINANCIAL REVIEW

REVENUE AND PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

For the year ended 31 December 2015, the Group recorded revenue of RMB1,256,871 thousand, representing a decrease of 23% from RMB1,634,652 thousand last year.

Revenue details for the year under review are as follows:

1. Revenue recorded from media resources management was RMB1,171,265 thousand, representing a decrease of 22% from RMB1,510,881 thousand last year. The total spending budget of clients on advertising contracted while the advertising spending scattered due to the combined effect of the slowdown in the domestic macroeconomic growth and the changes in the media environment. The advertising placements from clients, including automobile, alcohol, food and beverage and financial insurance, declined in different levels compared with last year, resulting in the Group's sales of core advertising resources in terms of both minutes sold and average sales rate decreased as compared with last year.

2. Turnover recorded from integrated brand communication services was RMB1,057,576 thousand, a decrease of 30% from RMB1,509,411 thousand last year. Under the International Accounting Standards, the Group's revenue is credited as net commission with relevant procurement costs deducted from turnover if the Group procures media resources in the capacity of an agent for clients. On this basis, revenue from this business was RMB25,274 thousand, a decrease of 26% over RMB34,037 thousand last year. The turnover of this business decreased due to the influence of the budget reduction of clients on advertising spending. Year-on-year decrease in revenue was mainly due to the fact that part of the commission receivables from media suppliers of this year can only be recognized in January 2016.

3. Revenue recorded from Internet media and content operations was RMB29,069 thousand in total, down 47% from RMB54,961 thousand last year. Among which, lotour.com was in the transition period due to its proactive adjustment on position and features. With a decline in client advertising placement, revenue from the entire operation of internet media decreased by approximately RMB11,130 thousand from last year. Secondly, revenue from creative production of commercial advertisements recorded a decrease of RMB14,762 thousand as compared with last year due to the influence of the reduction in the amount and the number of contracts of clients. The Group will continue to optimize its operation of internet media actively through various measures including expansion of cooperation with all scaled search engines, enlargement of mobile terminals construction, developing of offline activities, alteration of website format, to arouse users' interest and loyalty, and to maintain steady growth in traffic while further expand the contribution share of the Group's revenue. Meanwhile, the Group announced its self-developed intelligent programming advertising placement platform in November 2015 and actively diversified into the business of digital marketing which gives hope to the realization of new breakthrough in revenue among the Group's digital business in 2016.

4. Rental income was RMB51,218 thousand, representing a decrease of 13% as compared with RMB58,837 thousand last year. Part of the office premises was temporarily idled due to the changes of tenants, resulting in a lower revenue of the business from last year.

Both the revenue from core businesses and gross profit margin of the Group decreased as compared with last year. However, the operating expenses were properly controlled by the Group. The profit attributable to equity shareholders of the Company for the year ended 31 December 2015 amounted to RMB121,673 thousand, representing a year-on-year decrease of 60% from RMB306,571 thousand last year.

OPERATING EXPENSES

For the year ended 31 December 2015, the Group's operating expenses were RMB147,507 thousand in aggregate, representing a year-on-year decrease of 12% from RMB168,110 thousand last year, and accounted for 11.7% of the Group's revenue (year ended 31 December 2014: 10.3%). The Group continued to maintain a stable and effective management over the budget for operating expenses. The total operating expenses and the ratio of expenses to revenue had been controlled at a reasonable range under the expectation of the Group.

Operating expenses include the followings:

1. Selling and marketing expenses amounted to RMB44,071 thousand, showing a decrease of approximately RMB10,583 thousand from RMB54,654 thousand last year, and accounted for 3.5% of the Group's revenue (year ended 31 December 2014: 3.4%). The decrease in selling and marketing expenses was mainly due to (1) decrease in revenue resulting in the relative decrease in performance-based remuneration of marketing staff by approximately RMB5,224 thousand; (2) the Group's strict control on budget management of expenses such as promotional and marketing expenses, conference expenses, entertainment expenses and travelling expenses, which decreased by approximately RMB5,233 thousand from last year.

2. General and administrative expenses amounted to RMB103,436 thousand, representing a decrease of approximately RMB10,020 thousand from RMB113,456 thousand last year, and accounted for 8.2% of the Group's revenue (year ended 31 December 2014: 6.9%). The decrease in general and administrative expenses was mainly due to the fact that: (1) the Group's results fell below the original expectation, labor cost such as year-end bonus of non-marketing staff decreased by approximately RMB4,045 thousand accordingly; (2) expenses such as office expenses, travelling expenses and entertainment expenses decreased by approximately RMB5,093 thousand over last year under strict budget control.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

No significant investments, acquisitions and disposals were entered into by the Group during the year under review.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained its liquidity at a reasonable level with a stable financial position as a whole. As at 31 December 2015, the Group's cash and bank balances amounted to RMB418,098 thousand (31 December 2014: RMB801,773 thousand), of which approximately 79% was denominated in Renminbi and the remaining 21% in HK dollars and other currencies. The bank time deposits maturing over three months in Renminbi amounted to RMB26,502 thousand (31 December 2014: RMB30,692 thousand). During the year, details of the cash flows status were as follows:

1. Net cash outflow from operating activities was RMB223,032 thousand (year ended 31 December 2014: RMB118,690 thousand). The net outflow was mainly attributable to: (1) an increase of approximately RMB83,311 thousand in prepayment of media agency costs to media suppliers as compared to the end of last year since such media agency costs should have been prepaid in last year were deferred to 2015; (2) the decrease of advertising fee in advance from clients of approximately RMB216,354 thousand due to the reduction of advertising spending budget of clients as a result of the influence of downward pressure in domestic macroeconomic environment. The Group will continue to monitor closely the liquidity status and ensure a continual reasonable cash level to meet the funding requirements of the Group's normal business operation and future development;

2. Net cash inflow from investing activities was RMB160,509 thousand (year ended 31 December 2014: net cash outflow of RMB144,409 thousand), mainly attributable to the pledged bank deposits of approximately RMB147,705 thousand which included in the credit facilities secured by deposits were matured;

3. Net cash outflow from financing activities was RMB318,208 thousand (year ended 31 December 2014: RMB8,596 thousand), which was mainly attributable to: (1) the repayment of short-term borrowing of approximately RMB145,152 thousand obtained through credit facilities secured by deposits, (2) the payment of final and special dividends for 2014 of approximately RMB121,848 thousand in total, (3) the payment of approximately RMB53,402 thousand for purchase of the shares of the Company.

As at 31 December 2015, the Group's total assets amounted to RMB1,929,821 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,614,554 thousand and non-controlling interests of RMB9,588 thousand. As at 31 December 2015, the Group had no bank borrowings.

The majority of the Group's turnover, expenses, and capital investments were denominated in RMB.

HUMAN RESOURCES

As at 31 December 2015, the Group had a total of about 505 employees, a decrease from the beginning of the year. In the areas of digital business and TV business, the Group provided a new developing opportunity for all the personnel. In August 2015, the Group established the Digital Marketing Center providing career development opportunities such as product research, marketing, media planning, technology, and operation. In December 2015, the Group established CCTV-9 Documentary Operation Center providing new developing chances for staff in different positions including marketing, media planning, and client service. Moreover, demonstrating on the fields of career development and training which staff highly concerns, the Group upgraded both the system and practical trainings on areas such as internet advertising, integrated marketing, and digital marketing. With both the categories and entire duration of the trainings provided were largely expanded, the staff satisfaction had been continually improved. For talents introduction and incentives, the Group had raised the basic remuneration and the level of performance-based bonus of marketing staff with a new designed career development path for marketing staff. The Group had been maintaining its leading position on the competitiveness of remuneration system through precise positioning and comparing with market data of previous years. In addition to the conventional benefit schemes such as insurance, housing provident fund, medical check-ups and overseas travel provided for employees, we had included various innovative benefit schemes such as fitness clubs and free laundry, to establish a talent development platform and employer brand with higher popularity. In order to align the personal interests of employees with those of shareholders, share options are granted to employees under the Company's share option schemes. Share options that were granted and remained unexercised as of the end of the year totalled 24,333,000 units.

INDUSTRY AND GROUP OUTLOOK

Following the further improvement of the Group's digital business layout, SinoMedia has taken the new marketing approach of "TV+Internet" multi-screen communications, a response to the national call of "integrated development to leverage the new media's advantages, with a focus on transition from 'adding together' to 'in-depth integration'", aiming to build SinoMedia into a new-type of mainstream communications group.

The Group not only stresses the innovative and constructive development, but also closely monitors the trends of economy and industry. According to the National Bureau of Statistics, the Manufacturing PMI in February 2016 was 49, a record low since November 2011. The Caixin Manufacturing PMI in February 2016 jointly released by Caixin and Markit was below the boom-bust line for the twelfth consecutive months. In the "Forecast and Analysis on China's Macro Economy, Spring 2016" jointly published by Center for Macroeconomics Research of Xiamen University and Xinhua News Agency Economic Information Daily, it is believed that the growth of Chinese economy will continue to decline in the next two years under the pressure of investment slowdown, whilst the decline will be at a slower pace which poses less risk of deflation. It is expected that the growth of China's GDP in 2016 will be slightly lower than 6.9% of 2015, CPI will be increased by 1.48%, a rise of 0.04 percentage point as compared with 2015.

The down economy has begun to stabilise, nevertheless the general environment is still facing the downward pressure. The Group is always confident in the medium to long-term prosperity of the Chinese society and economy, and is dedicated to leading the industry development and strengthening the competence. “Not make stride every day means back off every day”. The Group strives to be a role model of sustainable development in the industry, for the employees, clients, partners and the society.

To analyze from the two major businesses of the Group: TV business will introduce new marketing approaches based on the supply and demand change of clients and media market. The Group will conduct agency business of diversified media platforms with comprehensiveness and profession, complemented with design, creativity, and project implementation, to bring in more clients and increase their loyalty. The clients in targeted industries shall represent a larger share in the Group’s overall clients. In 2016, the Group has become the exclusive agent of advertising resources of CCTV-9 Documentary Channel, a move aims to diversify its existing media resources portfolio and to attract more clientele from different industries, such as automobile, middle and high-end consumer goods, environmental protections, real estate, etc. In the meantime, the Group will continue to consolidate its advantages in communication agency for traveling destinations, especially overseas traveling destinations, to bring in more quality clients for the traditional business. As for the digital business, iBCP, the intelligent programming advertising placement platform, will tap its potential in technology, data-processing capacity and marketing, to achieve native ads, visualised placement, delivery on the mobile terminals, and data base building of dynamic DMP (data management platform), so as to expand the long tail clients base and the regional advertising agency business. iBCP, making the most of its platform advantages of “Intelligent” and “DIY”, is dedicated to boosting the growth of SinoMedia’s internet advertisement business, and increasing the brand awareness as well as market share of SinoMedia iBCP. Wugu.com.cn, based on developing its users and the content value, will further integrate with the marketing of the CCTV-7 (Military and Agriculture) resources to explore the televised mobile products, and focus on the engagement and development of official clients and enterprises in the agricultural field. Lotour.com will launch the feature channel “Outskirts Travel” and Outskirts Travel APP, continue to enhance the richness and ingenuity of the original contents, underlining the value of users and marketing. Boosj.com will optimise its three vertical channels, implementing the concepts of video, mobile and community in building the websites. Specifically, it will improve the video experience, expand the business based on mobile terminals, explore the social needs of target users in order to refine the interaction functions and increase their engagement, and ultimately increase both the user traffic and revenue.

In light of the above, the Group will move forward along the way of increasing the value as a media advertising corporation.

Directors and Senior Management

MR. CHEN XIN (陳新)

aged 49, has been our Executive Director since November 2006. He was appointed as our Chairman in December 2007. He is primarily responsible for the strategic development, financial planning and overall management of the Group. Mr. Chen has over twenty seven years of experience in the media industry. He was previously a reporter for the overseas service department and the Australian branch of Xinhua News Agency. He was also a director of news distribution office of the overseas service department of Xinhua News Agency from 1988 to 2004. Mr. Chen received his bachelor of science degree in biology and genetics from Fudan University in 1986, completed a master's course in international news from Fudan University in 1988 and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Mr. Chen is the husband of Ms. Liu Jinlan, our Chief Executive Officer and an Executive Director.

MS. LIU JINLAN (劉矜蘭)

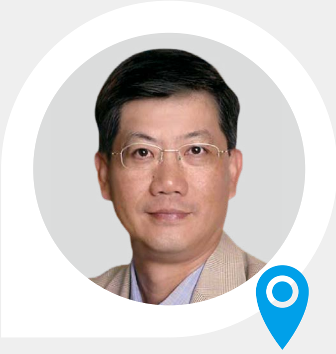
aged 47, has been our Chief Executive Officer since she founded the Group in 1999. She has served as an Executive Director since 24 October 2001. She is primarily responsible for the overall management of business operation and client development. Ms. Liu previously worked at CCTV from 1995 to 1998.

Since she founded our Group, she was instrumental in designing and executing advertising campaigns which have influenced the TV media industry, for which she was jointly recognized as one of the "Top Ten Female Advertising Professionals of China" (中國十大最具風采女性廣告人) by CCTV, Advertising School of the Communication University of China (中國傳媒大學廣告學院), Advertising Guidance (廣告導報) and "Business" magazine (經營者雜誌社) in 2006. She was elected chairman of The Association of Accredited Advertising Agencies of China (中國4A協會) in January 2008, and jointly recognised as one of the "2008 Top Ten People in Media Advertising of China" (2008中國十大傳媒廣告人物) by School of Journalism and Communication of Renmin University of China (中國人民大學新聞學院), Journalism School of Fudan University (復旦大學新聞學院) and other institutions in December 2008. In 2009, in a celebration marking the 60th founding of New China, she was jointly recognised as the "2009 Outstanding Woman of China's Advertising Industry" (2009年度中國廣告行業傑出女性) by China Advertising Association of Commerce (中國商務廣告協會), Beijing Advertising Association (北京廣告協會), "21st Century Advertising Magazine" (21世紀廣告雙週刊), and the organizing committee of the 21st AD International Summit (21世紀廣告國際峰會組委會). She was also elected a vice-chairman of the first Media Committee of China Association of National Advertisers (中國廣告主協會) in December 2009. She was jointly recognized for two successive years as one of the 2009/2010 and 2010/2011"Top Ten influential Female Advertising Professionals of China" (中國最具影響力十大女性廣告人) by "Advertising Guidance" magazine (廣告導報雜誌社) and MBA School of the Communication University of China (中國傳媒大學MBA學院) in September 2010 and April 2011 respectively. She was elected as the deputy head of Advertising Artistic Committee of China Television Artists Association (中國電視藝術家協會廣告藝術委員會) in March 2012. She was elected a vice president of Beijing Chaoyang District Association of Women Enterpreneurs (北京市朝陽區女企業家協會) in July 2012. She served as a committee member of Beijing Committee of China National Democratic Construction Association (中國民主建國會北京市委員會) since November 2012, and served as a committee member of Culture Committee of China National Democratic Construction Association (中國民主建國會文化委員會) since April 2013. She also served as a supervisor of MBA of Year 2012 of Cheung Kong Graduate School of Business in November 2012. She was recognized as "Person of the Year" (年度人物獎) by The Association of Accredited Advertising Agencies of China (中國4A協會) in October 2013. In March 2014, she was recognized as one of the 2013/2014 "Top Ten Female Advertising Managers of China" (十大女性廣告經理人) by "Advertising Guidance" magazine (廣告導報雜誌社). As a renowned adperson with a 20-year successful advertising career in China, she has been working as the chairman of The Association of Accredited Advertising Agencies of China (中國4A協會) for four years, and has become one of the fifteen members of the selection committee of China Advertising Hall of Fame (中國廣告名人堂推選委員會), which is jointly created by China Advertising Association of Commerce (中國商務廣告協會), the Advertising Museum of China (中國廣告博物館) and the National Advertising Research Institute (國家廣告研究院).

Ms. Liu graduated from the Beijing Broadcast Institute with a certificate in linguistics, and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Ms. Liu is the wife of Mr. Chen Xin, our Chairman and an Executive Director.

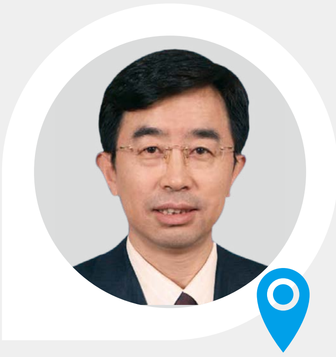
MR. LI ZONGZHOU (李宗洲)

aged 48, joined the Group in 2000 as a financial supervisor and had been our General Accountant from 2007 to 2008. He was then a Vice President and is currently our Chief Internal Control Officer. He was appointed as an Executive Director in November 2006. Mr. Li is responsible for financial accounting, risk management, legal affairs and financial contract management of the Group. He was previously the chief accountant and head of the financial department of Dunhua Forest Bureau from 1987 to 2000. Mr. Li received his bachelor of arts degree in economics from Renmin University of China in 1990. Mr. Li is the husband of Ms. Liu Jinlan's niece.



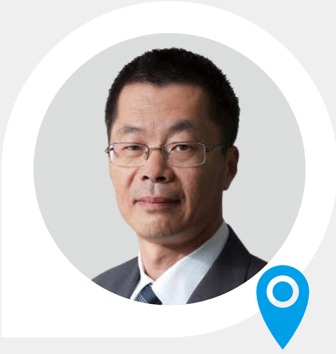
MR. HE HUI DAVID (何暉)

aged 55, was re-designated as an Independent Non-Executive Director of our Group on 20 November 2015. Mr. He worked as a Non-Executive Director of our Group from August 2011 to November 2015. He is currently a partner and managing director of PAG Asia Capital. Prior to joining PAG Asia Capital in 2015, he had been working at Bain Capital Asia as a managing partner. Mr. He previously work at General Electric (GE) for more than ten years, during which time he had accumulated extensive experience in the management of engineering, marketing and company operation-related affairs in the United States and the Asia market. Mr. He graduated from Peking University in China with a bachelor's degree, and obtained a doctor's degree in physics afterwards from the University of Michigan (Ann Arbor Campus, United States) and MBA from Kellogg School of Business of the Northwestern University in the United States.



MR. LIAN YUMING (連玉明)

aged 52, was appointed as our Independent Non-executive Director in May 2011. Mr. Lian graduated from Shanxi University (山西大學) in 1987 with a bachelor of laws degree and then a Ph.D. degree in engineering from China University of Geosciences (中國地質大學) in 2013. He currently serves as the president of the International Institute for Urban Development, Beijing (北京國際城市發展研究院), the president of Capital Association for Scientific Decision-Making (首都科學決策研究會), the chairman of The Foundation of Beijing International Cities Forum (北京國際城市論壇基金會), a vice president of the Beijing Federation of Social Science Circles (北京市社會科學界聯合會) and a committee member of the Expert Consultative Committee of the Beijing Municipal Government (北京市政府專家諮詢委員會). He has a number of publications including the Report on Competitiveness of Chinese Cities (中國城市綜合競爭力報告), the Report on the Living Quality of Chinese Cities (中國城市生活質量報告), the Report on the Brand Value of Chinese Cities (中國城市品牌價值報告), the Report on the Core Problems of the 11th Five-Year Plan of Chinese Cities (中國城市「十一五」核心問題研究報告), the Report on the Core Problems of the 12th Five-Year Plan of Chinese Cities (中國城市「十二五」核心問題研究報告) and the Report on Innovations of China's Social Administration (中國社會管理創新報告). Mr. Lian has received various awards from government bodies and communities in recognition of his achievement and contribution to society, including the Beijing Municipal Committee of the Chinese People's Political Consultative Conference (政協北京市委員會).



MR. QI DAQING (齊大慶)

aged 51, has been our Independent Non-executive Director since May 2008. He taught as an assistant professor and then an associate professor in accounting at The Chinese University of Hong Kong between 1996 and 2002. Mr. Qi joined the Cheung Kong Graduate School of Business in July 2002 where he currently serves as a professor of Accounting. He serves as an independent director, the chairman of audit committee and a member of remuneration committee of Sohu.com Ltd. and Honghua Group Limited respectively, and serves as an independent director and the chairman of audit committee of iKang Healthcare Group, Inc. and Bona Film Group Limited respectively, and serves as an independent director and a member of audit committee, remuneration committee and nomination committee of MOMO Inc., and serves as an independent director and the chairman of nomination committee, a member of audit committee and remuneration committee of Jutal Offshore Oil Services Limited. Mr. Qi obtained a bachelor of science degree in biological physics in 1985 and a bachelor of arts degree in international mass communication in 1987, both from Fudan University in Shanghai. He received an MBA degree from the University of Hawaii at Manoa in 1992 and then a Ph.D. degree in Accounting from the Michigan State University in 1996.

Mr. Qi currently holds directorships in the following publicly listed companies: Sohu.com Ltd. (NASDAQ), Honghua Group Limited (Hong Kong Stock Exchange), iKang Healthcare Group, Inc. (NASDAQ), Bona Film Group Limited (NASDAQ), MOMO Inc. (NASDAQ), and Jutal Offshore Oil Services Limited (Hong Kong Stock Exchange).

Through his roles as an independent director in various companies and as a result of his overall professional experience, Mr. Qi has obtained expertise in accounting and financial management. In addition to lectures and presentations in accounting issues at various professional settings, he has authored research papers on accounting, financial reporting, capital market and other related topics that are published in leading academic journals. Mr. Qi is experienced in reviewing and analysing financial statements of public companies.

MS. WANG XIN (王昕)

aged 44, has been appointed as our Independent Non-executive Director in May 2012. Ms. Wang was the joint president and chief operation officer of Sohu.com Ltd. from 2009 to March 2014. She joined Sohu.com Ltd. in 1999. Prior to joining Sohu.com Ltd., Ms. Wang accumulated extensive experience in the field of sales and marketing. She worked in various companies, including Motorola (China) Company Limited where she served as an officer of the marketing and government relations department from 1996 to 1997. Ms. Wang graduated from Beijing Technology and Business University in China in 1992 with a bachelor of arts. She obtained a diploma in applied linguistics at the Southeast Asian Ministers of Education Organization Regional Language Centre, Singapore in 1996 and completed the China CEO program jointly offered by Cheung Kong Graduate School of Business, Columbia Business School, International Institute for Management Development and London Business School in 2011.

MS. JIN LANXIANG (金蘭香)

aged 37, had been our Senior Vice President since April 2008, and was appointed as the Group's Chief Marketing Officer in 2011, in charge of the advertising sales of CCTV programs to which the Group has exclusive underwriting rights. She joined the Group in 2001 and was the General Manager of our City Branding Centre from 2006 to 2007. Ms. Jin has worked in media industry for more than ten years and has extensive media sales experience and systematic media sales idea, providing a strong and solid customer base for the Group. Ms. Jin has successfully provided services to over 100 city and tourism-related clients and participated in the provision of communication services for more than 200 large and medium-size enterprises. Ms. Jin majored in finance at Beijing Construction University from 1996 to 1999.

MR. LIU XUMING (劉旭明)

aged 48, was our Senior Vice President from 2005 to 2010, and was appointed as our Chief Operation Officer in 2011. Mr. Liu also has served as the Chairman and President of Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") since August 2013. Mr. Liu is in charge of the management of the Group's operation planning and the overall operation management of Lotour Huicheng. He joined the Company in November 1999. Mr. Liu has over fifteen years of experience in city branding management, media operation and management, advertisement creative design and market development, and has a strong understanding of the media development and positioning, creative design and media operation. He was the president of Dunhua Cable TV Station in Jilin Province from 1997 to 1999. Mr. Liu has served as a council member of The Association of Accredited Advertising Agencies of China (中國4A協會) since 2006. He served as the chairman of Supervision and Examination for China Public Service Advertisement Grand Prix in 2010, chaired the judge for two successive years for China 4A Golden Seal Awards Media Category in 2012 and 2013 and also served as a judge for CCTV National Competition on TV Public Service Advertising in 2013. Mr. Liu received an MBA degree from California University of Management and Sciences in 2003.

MR. WANG YINGDA (王英達)

aged 37, has been our Vice President of the Group since October 2014, and was appointed as the Company Secretary in December 2014, to assist the Chairman of the Board in carrying on affairs of the listed company and investor relations, and to assist the Chief Internal Control Officer in financial compliance management. Mr. Wang joined the Group in July 2012 as the deputy general manager of the Group's finance department. Mr. Wang has over ten years of experience in accounting and auditing, and was the audit manager of KPMG before joining the Group. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Chinese Institute of Certified Public Accountants. Mr. Wang received a bachelor of business administration degree from The Chinese University of Hong Kong in 2002 and a master of arts degree from Newcastle University, the United Kingdom, in 2004.

MR. HUANG PING (黃平)

aged 51, has been our Senior Vice President since December 2011, and is responsible for the strategic development of media contents and channel platforms. Mr. Huang has extensive media-related work experience. He worked for MTV Greater China as its senior vice president and general manager from 2009 to 2011. From 2006 to 2009, he was a vice president in STAR China Co., Ltd. Before that, Mr. Huang was an associate director for the Satellite Channel under Shanghai Media Group and has accumulated extensive experience in programme production and distribution. Mr. Huang obtained a bachelor degree from the Journalism Department of Fudan University in 1986 and finished his postgraduate study in International News in Fudan University in 1988.

MS. ZHANG WEIWEI (張薇薇)

aged 33, has been our Vice President since October 2013, responsible for the market development of our agricultural exclusive media resources and administration management of the Group. She joined the Group in 2005, and was the Vice General Manager of Corporate Brand Marketing Centre of the Group in 2010 and 2011. Then, she has been the General Manger of Beijing Golden Bridge Senmeng Media Advertising Co., Ltd. ("Golden Bridge Senmeng"), a subsidiary of the Group since October 2011, responsible for overall management of business operation of Golden Bridge Senmeng. Ms. Zhang has rich experience of more than eight years in TV media marketing and team management. She has made considerable contribution to Golden Bridge Senmeng, continuously improved operating system of management, expanded customer base with brands and optimised media resources, etc. Ms. Zhang graduated from Xi'an International University in 2004, majored in economic management.

MR. CUI RUI (崔銳)

aged 41, has been our Vice President of the Group since October 2014, responsible for the management of integrated brand communication services. Mr. Cui joined the Group in 2003, and had been our Vice President from April 2008 to July 2010. Then he has been the Assistant to the Chairman, and the General Manager of Beijing Golden Bridge Yunhan Advertising Company Limited ("Golden Bridge Yunhan"), a subsidiary of the Group, responsible for overall management of business operation of Golden Bridge Yunhan. Mr. Cui has over ten years of experience in advertising, and has accumulated a wealth of experience in media strategy and serving corporate clients. He promoted media strategy creativity and client-oriented service idea, and has solid experience in providing communication services to state-owned enterprises. Mr. Cui received an EMBA degree from University of International Business and Economics in 2015.

MS. ZHOU JUNHUA (周俊華)

aged 38, has been our Vice President since October 2013, responsible for the overall management of city tourism brand communication business of the Group. She joined the Group in August 2002, and had been the General Manager of City Brand Marketing Centre since 2011. Ms. Zhou has four years frontline sales experience and nine years team management experience. With more than thirteen years working experience in media industry, she established her own style in the field of city tourism brand communication. She has successfully developed and provided services for more than 1,000 clients, effectively ensured the Group's leading position in this field. Through nine years' professional team management, Ms. Zhou has initiated unique and systematic media marketing management ideas and methods which have been applied and promoted successfully in practice, and made important contribution to the sales performance of the Group. Ms. Zhou graduated from Shashi University (沙市大學) in 1999, majored in finance.

ANNUAL
REPORT
2015
年報

敏捷
Quick and Sharp

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attaining and upholding a high standard of corporate governance practices to protect the interests of shareholders and the Company as a whole. The Company has made continuous efforts to constantly review and improve its corporate governance system in light of changes in regulations and developments in best practices and to ensure that the Group is under the leadership of an effective board (the "Board") of directors of the Company to maximise return for shareholders.

The Company has adopted the code provisions ("Code Provisions") of the latest Corporate Governance Code and Corporate Governance Report (hereinafter referred to as the "Code") as set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the guidelines for corporate governance of the Company. During the year ended 31 December 2015, the Company has fully complied with all Code Provisions and where applicable, the recommended best practices prescribed in the Code, except for the following deviation:

1. Code Provision A.6.7

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged business engagements which must be attended to by Mr. Qi Daqing, an Independent Non-executive Director of the Company, he was not able to attend the annual general meeting of the Company held on 10 June 2015.

COMPLIANCE WITH DEED OF NON-COMPETITION

The Company has received two confirmations (the "Confirmation") from Mr. Chen Xin and Ms. Liu Jinlan (the "Covenantors") signed by them in March 2016 respectively confirming that for the period from 1 January 2015 to 31 December 2015 and up to the date of signing the Confirmation by the relevant Covenantor, they have fully complied with the non-competition deed executed by the Covenantors in favour of the Group on 27 May 2008 (the "Non-Competition Deed") and, in particular, they and their respective associates have not, directly or indirectly, carry on or be engaged or interested in the core business of the Group, i.e. acting as an media advertising operator, including the purchasing of advertisement time, advertisement production, acting as an agent of advertisement time and other advertising related service, which is from time to time carried on or engaged or interested in by the Group.

The Independent Non-executive Directors of the Company have reviewed the Confirmation and all of them are satisfied that the Non-Competition Deed has been complied with during the period under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, the Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2015.

BOARD OF DIRECTORS

1. Composition of the Board

During the year ended 31 December 2015, the Board comprised the following Directors:

EXECUTIVE DIRECTORS:	NON-EXECUTIVE DIRECTOR:	INDEPENDENT NON-EXECUTIVE DIRECTORS:
Mr. Chen Xin *(Chairman)* Ms. Liu Jinlan *(Chief Executive Officer)* Mr. Li Zongzhou	Mr. He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)	Mr. Ding Junjie (resigned on 27 January 2015) Mr. Qi Daqing Mr. Lian Yuming Ms. Wang Xin Mr. He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)

The Directors possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographical details of the Directors and the relationship between members of the Board are set out in the "Directors and Senior Management" section on pages 28 to 39 of this annual report.

Save and except that Mr. Chen Xin is the spouse of Ms. Liu Jinlan and that Mr. Li Zongzhou is the husband of Ms. Liu Jinlan's niece, there are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

2. Chairman and Chief Executive Officer

The positions of the Chairman of the Board and the Chief Executive Officer are held by separate individuals to ensure that a segregation of duties and a balance of power and authority are achieved. The Chairman is responsible for overseeing all Board functions in accordance with good corporate governance practice, developing strategies and instilling corporate culture. The Chief Executive Officer is responsible for formulating detailed plans for implementation of the objectives set by the Board and mainly focuses on the day-to-day management and operation of the Group's business. During the year ended 31 December 2015, the Chairman of the Board is Mr. Chen Xin and the Chief Executive Officer of the Company is Ms. Liu Jinlan.

3. Non-executive Directors

The Non-executive Directors, more than half of which are independent, play an important role in the Board. They possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. Accounting for a majority of Board members, they provide adequate checks and balances for safeguarding the interests of the shareholders and the Group as a whole.

The Non-executive Directors of the Company are appointed for a term of three years and are subject to retirement by rotation at the Company's annual general meetings at least once every three years in accordance with the Articles of Association of the Company.

The Company has received annual written confirmation from each Independent Non-executive Directors of his or her independence to the Company pursuant to the requirements of the Listing Rules. The Company has assessed the independence and considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company also has at all times complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors and the appointment of an Independent Non-executive Director with appropriate professional qualifications, on accounting or related financial management expertise. The number of Independent Non-executive Directors has represented at least one-third of the Board.

4. Division of Responsibilities of the Board and the Management of the Company

The Board steers the Group's business direction. It is responsible for formulating the Group's long-term strategies, setting business objectives, monitoring the management's performance, and ensuring strict compliance with relevant statutory requirements and effective implementation of risk management measures on a regular basis.

The management under the leadership of the Chief Executive Officer is responsible for the day-to-day management of the Group's businesses and implementation of the strategy and direction set by the Board.

To ensure the operational efficiency and specific issues are being handled by relevant expertise, the Board delegates certain powers and authorities from time to time to the management.

The types of decisions which are reserved for the approval by the Board (or the Board committees) include those relating to:

- corporate and capital structure;
- corporate strategy;
- significant policies affecting the Company as a whole;
- business plan, budgets and public announcements;
- delegation to the Chairman, and delegation to and by Board committees;
- key financial matters;
- appointment, removal or reappointment of Board members, senior management and auditors;
- remuneration of Directors and senior management;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- corporate governance duties.

The types of decisions that the Board has delegated to the management include:

- approving the extension of the Group's activities not in a material manner into a new geographic location or a new business;

- assessing and monitoring the performance of all business units and ensuring that all necessary corrective actions have been taken;
- approving expenses up to a certain limit;
- approving the entering into of any connected transactions not requiring disclosure under the Listing Rules;
- approving the nomination and appointment of personnels other than the member of the Board, senior management and auditors;
- approving press release concerning matters decided by the Board;
- approving any matters related to routine matters or day-to-day operation of the Group (including the entering into of any transaction not requiring disclosure under the Listing Rules and cessation of non-material part of the Group's business); and
- carrying out any other duties as the Board may delegate from time to time.

5. Board Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. Directors may participate in person or through electronic means of communication. During the year of 2015, the Board held four regular meetings and two additional meetings. As regards general meetings, the Company held the annual general meeting on 10 June 2015 during the year of 2015. The said meetings were attended by a majority of the Directors in person or through other electronic means of communication. Attendances at the Board meetings and the annual general meeting of each Director are set out as follows:

	NUMBER OF MEETINGS ATTENDED/HELD	
DIRECTORS	**Board Meetings**	**Annual General Meeting**
Executive Directors:		
Chen Xin	6/6	1/1
Liu Jinlan	6/6	1/1
Li Zongzhou	6/6	1/1
Non-executive Director:		
He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)	5/5	1/1
Independent Non-executive Directors:		
Ding Junjie (resigned on 27 January 2015)	1/1	N/A
Qi Daqing	6/6	0/1
Lian Yuming	6/6	1/1
Wang Xin	6/6	1/1
He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)	1/1	N/A

Notices of regular Board meetings are given to all Directors at least 14 days prior to the date of each regular Board meetings while reasonable notice is generally given for other Board meetings. Meeting agendas and any accompanying board papers are generally sent to all Directors at least 3 days before the intended date of each Board or committee meeting, except agreed otherwise among the members. All Directors are encouraged to propose new items as any other business for discussion at the meetings. The Board and each Director have separate access to the Company's senior management for information at all times and may seek independent professional advice at the Company's expenses in carrying out their duties, if necessary. Draft and final versions of the minutes of the meetings, drafted insufficient details by the Company Secretary, were circulated within a reasonable time after each meeting to the Directors for their comment and record respectively. Originals of such minutes, kept by the Company Secretary, are open for inspection by all Directors at any reasonable time. Procedures for convening meetings of the Board and Board committees and for preparing minutes of the meetings have complied with the requirements of the Articles of Association of the Company and applicable laws, rules and regulations.

6. Appointment, Re-election and Removal of Directors

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

Each of the Directors has entered into a service contract with the Company for a specific term and is subject to retirement by rotation at annual general meetings at least once every three years. In accordance with the Articles of Association of the Company, three Directors shall retire at the next following annual general meeting of the Company and shall be eligible for re-election. The names and biographical details of the Directors who will offer themselves for re-election at the forthcoming annual general meeting are set out in the circular to shareholders dated 27 April 2016 to assist shareholders in making an informed decision on the elections.

Having been made specific enquiry, the Directors confirmed that the terms of their respective service contracts had been complied with and they had no interest in any company or business which competed either directly or indirectly with the Group's business.

7. Remuneration of Directors

The Executive Directors and the Non-executive Directors did not receive any allowance for their service provided as Directors throughout the year ended 31 December 2015. Executive Directors who are also the Company's staff are entitled to receive salaries according to their respective positions taken on a full-time basis in the Company.

Save that Mr. He Hui David, a Non-executive Director who was re-designated as an Independent Non-executive Director on 20 November 2015, received no remuneration for his directorship during the year ended 31 December 2015, two out of the four Independent Non-executive Directors, were respectively remunerated at RMB158 thousand, and the remaining Independent Non-executive Director was remunerated at RMB176 thousand for their services provided for the year under review.

Information relating to the remuneration of each Director for the year under review is set out in note 7 to the financial statements on page 108 of this annual report.

8. Training of Directors

Pursuant to Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year under review, all Directors have participated in continuous professional development by reading relevant materials on the topics related to the roles, functions and duties of a director of a listed company, and corporate governance and regulations.

9. Board Committees

The Board has established four Board committees with specific terms of reference, namely the Audit Committee, the Remuneration Committee, the Compliance Committee and the Nomination Committee. On 1 December 2015, the terms of reference of Audit Committee has been revised pursuant to the new requirements of the Code Provisions. All terms of reference of the Board committees are on terms no less exacting than those set out in the Code, where applicable.

Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, risk management and internal controls, and review of the Company's financial statements. The Audit Committee also reviews and monitors the scope and the effectiveness of the work of external auditors. The terms of reference of the Audit Committee are made available on the Company's website and the Stock Exchange's website.

The Audit Committee met three times during the year under review. Currently, the committee comprises three members, all of whom are Independent Non-executive Directors. The composition of the committee and the attendances at the meetings by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Qi Daqing *(Chairman)*	3/3
Ding Junjie (resigned on 27 January 2015)	N/A
Lian Yuming	3/3
Wang Xin (appointed on 27 January 2015)	3/3

At the meetings, the committee:

- reviewed with the management and the external auditors the effectiveness of audit process and the accounting principles and practices adopted by the Group, and the accuracy and fairness of 2014 annual report and 2015 interim report;
- reviewed with the management the Listing Rules compliance, and the risk management and internal control effectiveness of the Group, including the internal control reports submitted by the internal audit department of the Group; and
- reviewed the terms of appointment of external auditors, and ensured the continuing independence of external auditors and the effectiveness of their audit process adopted.

Remuneration Committee

The Remuneration Committee was established to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments inclusive of any compensation payable for loss or termination of their office or appointment, and to make recommendations to the Board on the remuneration of Non-executive Directors. The terms of reference of the Remuneration Committee are made available on the Company's website and the Stock Exchange's website.

During the year under review, the Remuneration Committee met once. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETING ATTENDED/HELD
Wang Xin *(Chairman)* (appointed on 27 January 2015)	1/1
Chen Xin	1/1
Lian Yuming	1/1
Ding Junjie *(Chairman)* (resigned on 27 January 2015)	N/A

At the meeting, the committee:

— reviewed the emolument policy and the levels of remuneration paid to the Directors and senior management of the Group;

— assessed the performance of Executive Directors; and

— determined the remuneration packages of individual Executive Directors and senior management.

Compliance Committee

The Compliance Committee was established to oversee the Group's compliance with regulatory requirements and make recommendations to the Board on improvement of corporate governance of the Group.

One meeting was held during the year under review. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETING ATTENDED/HELD
Li Zongzhou *(Chairman)*	1/1
Wang Yingda	1/1

At the meeting, the committee:

- reviewed the work of internal audit department and emphasized the risk management by integrating risk management into internal control to ensure compliance in every respect with the Listing Rules;

- checked transactions entered into by the Group to ensure compliance with the relevant laws and regulations applicable to the Group;

- reviewed and monitored the training and the continuous professional developments of Directors and senior management, and the code of conduct applicable to Directors and employees; and

- reviewed the policy for the corporate governance of the Company.

Nomination Committee

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, and monitoring the appointment and succession planning of Directors. The terms of reference of the Nomination Committee are made available on the Company's website and the Stock Exchange's website.

The Company has adopted a board diversity policy ("Board Diversity Policy") which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Board Diversity Policy sets out objective criteria such as academic strength, experience in the relevant industry against which candidates will be assessed. The Company considers that the current composition of the Board is characterized by diversity, whether considered in terms of professional background and skills.

During the year under review, one meeting of the Nomination Committee was held. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETING ATTENDED/HELD
Chen Xin *(Chairman)*	1/1
Ding Junjie (resigned on 27 January 2015)	N/A
Lian Yuming	1/1
Wang Xin (appointed on 27 January 2015)	1/1

At the meeting, the committee:

- reviewed the structure, size and diversity of the Board;
- assessed the independence of Independent Non-executive Directors;
- reviewed the time and sufficient resources required from Directors to perform their responsibilities; and
- made recommendations to the Board on the re-designation of the Non-executive Director.

10. General

The Company has arranged directors' and officers' liability insurance for all Directors and senior officers against legal liability arising from their performance of duties. The insurance coverage is reviewed on an annual basis.

FINANCIAL REPORTING

1. Financial Reporting

Management of the Company provides explanation and information to the Board to facilitate an informed assessment of financial statements and other information put before the Board for approval. The Board acknowledges its responsibility in the preparation of financial statements to give a true and fair view of the Company's state of affairs. In the preparation of financial statements, the International Financial Reporting Standards have been adopted and appropriate accounting policies have been consistently used and applied.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board continues to prepare the financial statements set out on pages 74 to 166 on a going concern basis.

The reporting responsibilities of the Group's external auditors, KPMG, are set out in the Independent Auditor's Report on page 73 of this annual report.

2. External Auditors

Management performs a review of remuneration to external auditors on an annual basis. The fees for audit services have been reviewed by the Audit Committee, and the fees for non-audit services, if any, are approved by management.

3. Auditors' Remuneration

The total fee charged by the auditors generally depends on the scope and volume of the auditors' work. During the year under review, RMB2,980 thousand was charged by the Group's external auditors for annual audit services and the auditors did not provide any non-audit services for the Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group had established and maintained appropriate and effective risk management and internal control systems. The Board had conducted an annual review of the effectiveness of the risk management and internal control systems of the Group, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. Proper controls are in place, in order to record the accounting and management information in a complete, accurate and timely manner. Regular reviews and audits are carried out to ensure that the preparation of financial statements in accordance with the Group's accounting policies and applicable laws, rules and regulations, thereby providing reasonable assurance regarding effective operation of the Group's business.

The Group has established a clear organisational structure, including the delegation of appropriate responsibilities from the Board to the Board committees, members of senior management and the heads of operating divisions.

An internal audit department was established to review financial reporting system, risk management and internal control systems of the Group on a continuing basis and it aims to cover all significant functions within the Group on a rotational basis. The scope of the internal audit department's review and the audit programmes have been approved by the Audit Committee. The department reports directly to the Audit Committee and the Chairman of the Board, and submits regular reports for their review in accordance with the approved programmes. The department submits a detailed report at least once a year to the Board for their review and monitors the effectiveness of the systems of risk management and internal control of the Group.

External auditors will also report on the weaknesses in the Group's risk management and internal control, and accounting procedures which have come to their attention during the course of audit.

For the year ended 31 December 2015, no critical risk management and internal control issues have been identified.

COMPANY SECRETARY

The Company Secretary, Mr. Wang Yingda, is responsible for facilitating the Board process, as well as communications among the Board members, the shareholders and the management. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed. Mr. Wang possesses the professional qualifications as required under Rule 3.28 of the Listing Rules. During the year under review, Mr. Wang has undertaken no less than 15 hours of relevant professional training by attending seminars to update his knowledge and skills in compliance with Rule 3.29 of the Listing Rules. The biography of Mr. Wang is set out in the section "Directors and Senior Management" on page 36 of this report.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company has set up and maintained various channels of communication with its shareholders and the public to ensure that they are kept abreast of the Company's latest news and development. Information about the Company's financial results, corporate details and major events are disseminated through publication of announcements, circulars, interim and annual reports and press release. All published information is promptly uploaded to the Company's website at www.sinomedia.com.hk, for public access.

The Company also hold investor meetings from time to time, including post results announcement non-deal roadshows, one on one meetings and conference calls. Shareholders can also submit enquiries to the management and send proposals to be put forward at shareholders' meeting to the Board or senior management by sending emails to ir@sinomedia.com.hk or making phone calls to our investor hotline at 86-10-65896899. In addition, the Company's dedicated investor relations team takes a proactive approach to communicate with existing and potential investors in a timely manner by making regular face-to-face meetings and conference calls with investors.

Under the Company's Articles of Association, the Board, on the requisition of shareholders of the Company holding not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company, can convene an extraordinary general meeting pursuant to the provisions of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to address specific issues of the Company. At the annual general meeting, shareholders can raise any questions relating to performance and future direction of the Group with the Directors. The Company maintains contact with its shareholders through annual general meeting or other general meetings, and encourages shareholders to attend those meetings. The external auditor of the Company, Messrs. KPMG also attended the annual general meeting held on 10 June 2015 to answer questions about the conduct of the audit, the preparation and content of the independent auditors' report, the accounting policies and auditor independence. The Company complied with the required notice periods for general meetings under the applicable laws, rules and regulations.

CONSTITUTIONAL DOCUMENTS

In 2015, no amendment had been made to the Articles of Association of the Company.

ANNUAL
REPORT
2015
年報

勤奮
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Corporate Social Responsibility Report — Innovation and Commitment

It has always been SinoMedia's commitment to placing equal emphasis on business development and fulfillment of social responsibility over the years. While focusing on the ecological changes in the industry and keeping up with the times in innovative development, the Group, as always, remains committed to the core family culture of "care, responsibility and inclusiveness" by making thorough consideration in the interest of employees and providing them with security. In 2015, SinoMedia concentrated on improving the professionalism of the management of social responsibility, striving to accomplish the development of corporate, social, industrial and employee in a harmonious manner.

Environmental Protection

SinoMedia always remains committed to the path for green development, cycle development and low-carbon development, taking the protection of environment and the keeping of ecological balance as its responsibility. It abides by the principle of energy saving in office management and encourages all employees to lead a low-carbon green life and work style together.

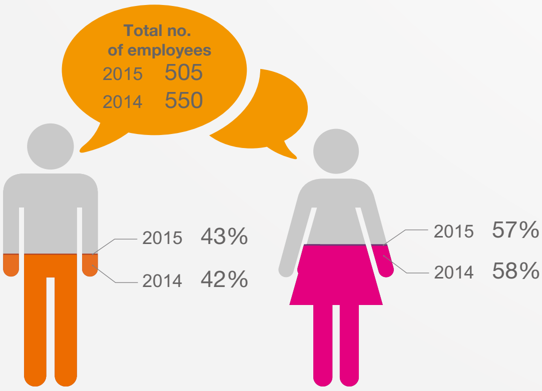
1. **Energy Conservation System.** The Group has taken an active part in implementing an accountability system by emphasising the practice of switching off lights and power sources after work to promote the appropriate use of electricity. Moreover, inductive hand-washing facilities have been installed to avoid the waste of water resources caused by negligence.

2. **Paper Usage.** An online office automation system has been implemented across the Group for encouraging paperless office and operation as well as reuse of paper. Despite the increased demand of paper as a result of the rollout of new businesses, more than 5,000 pieces of paper were saved during the year.

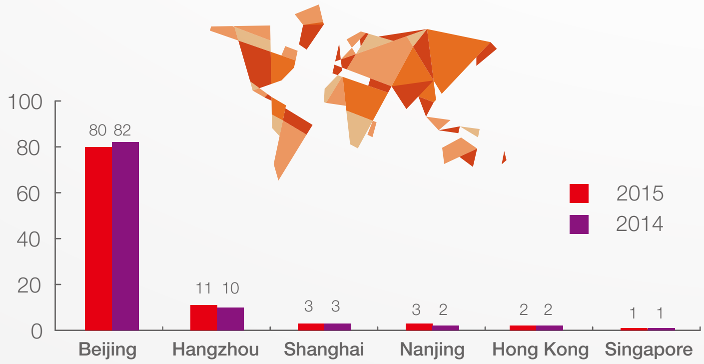
3. **Emission Reduction Measures.** The supply of bottled water for meetings has been cancelled to reduce "white" pollution. Moreover, the Group has actively encouraged its employees to reduce unnecessary business trips. Face-to-face meetings have been replaced by telephone conferences to reduce carbon emissions arising from transportation during business trips.

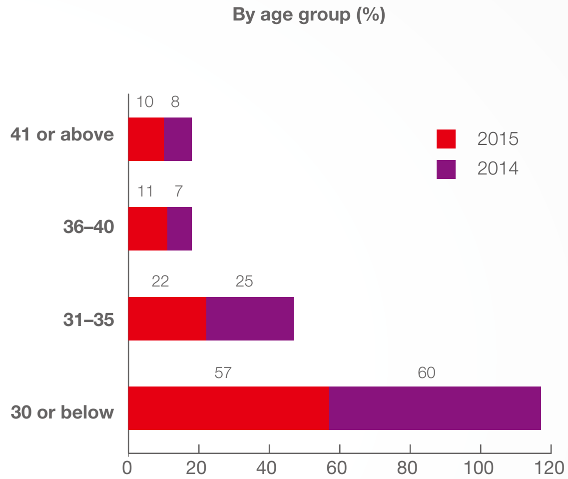
DEMOGRAPHICS OF EMPLOYEES

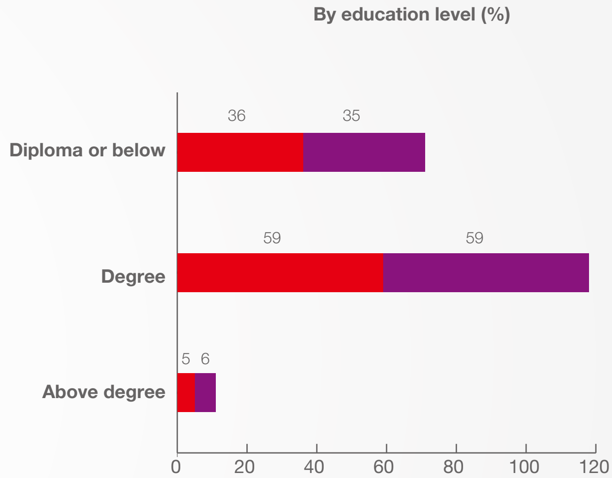
By gender (%)



By region (%)







Employee Development and Training

SinoMedia upholds its "talent strategy" by focusing on personnel training and building a smooth career path to help employees realise their dreams at SinoMedia.

In 2015, the Group devised and implemented a series of specific trainings and development programmes for its employees with a view to building a long-term development platform to meet the diversified demand for personal growth.

1. Expanded the scope of training and focused on the effect of training. As the Group's business segments updated in 2015, business training and exchange in the same segment became particularly important. For this reason, the Group expanded the scope of training so that more employees were able to receive relevant professional training, and networking opportunities were provided for employees from different business segments to better identify and solve problems.

2. Refined the categories of training and regulated the pace of training. To accomplish better training management, the Group divided training into three categories in 2015, namely knowledge-based training, skill-based training and quality-based training. It also exercised overall frequency and time control for these three training courses, placed emphasis on the demand research prior to training, and ensured the continuity and relevance of on-the-job learning and development were in line with employees' needs.

3. Provided training programmes specifically for management issues. Based on the performance feedback in various aspects such as daily performance management and employee relations, the Group proposed customised training solutions and provided appropriate support for different levels, departments and employees to solve problems thoroughly related to the Group's structure, teams and individuals.

Employee Activities and Benefits

SinoMedia promotes a healthy work and life philosophy. In 2015, it organised a series of annual events to help employees relieve their stress and enrich their life. Moreover, the Group has been very concerned about diet and health of its employees by caring for them in terms of benefit distribution.

1. "SinoMedia Sports Day" for the year was named as "Running SinoMedia" after the theme of a popular major variety show, in which the objective to build physical fitness and make friendly contact with colleagues of various departments was achieved in puzzle game playing and competitive running.

2. The Group continued to provide its employees with lunch voucher to ensure that they had safe and convenient dining on working days.

3. In the periods of frequent haze during the year, the Chief Executive Officer of the Group contributed a special donation to the Group's Caring Fund, which was given to employees as reimbursement for purchasing anti-haze masks, thus effectively mitigated the impact of haze for the protection of their health.

4. The Group organises various events regularly every year, such as “Group Weddings at SinoMedia”, “SinoMedia Parents — Children Day”, “Tours for Outstanding Employees and Their Families”, “Birthday Party for Employees” and “Charity in Action”, to make sure that its employees have a happy job and a healthy life.

A group wedding ceremony at SinoMedia, where ten pairs of couples got married.

A gathering of the second generation of SinoMedia featured “Caring for Our Planet Starts with Kids”.

Outstanding Employees’ Family Tour in Thailand

Birthday Party for Employees

Participation in Community Events

SinoMedia pursues the "Gratefulness and Contribution" value by playing an active role in participating in charity events for striving to build a harmonious society.

Volunteer Activities

Following the establishment of the Caring Committee in 2012, the Group improves the rules of action and management regulations every year with an aim to contributing more to the well-being of the society. In 2015, the Group continued to re-visit the straitened teachers and students at the Yanjing Little Swan School for migrant workers' children. The Group raised educational subsidies and various school supplies from the charity bazzars and auctions organised by employees, which were then used to purchase textbooks for students and to improve the teaching and learning environment. Through one-to-one caring project, the employees were able to experience the joy of personal involvement in charity events and fulfillment of individual social responsibility on one hand, while the children could have the mental strength to grow up with all efforts on the other hand.

The charity team sent school bags, stationery and other school supplies to children.

Publicity for Charity Events

The Group produced a number of advertising videos for charity events in 2015 to promote public safety knowledge and tips to the general public. Of these videos, the “Be Cautious with Online Purchase in Food Safety” and the “Fire Prevention Tips” were well-received.

Intellectual Property Protection

The Group continued to step up intellectual property protection, especially in terms of trademark protection, by adopting comprehensive intellectual property protection measures. During the year under review, the Group renewed the registration of the existing trademarks. In line with business needs, the Group applied for a total of eight registered trademarks for goods and services respectively under Category 35 (Advertising, Business Management and Marketing), Category 38 (Telecommunication and Communication Services), Category 41 (Education, Training, Entertainment and Cultural Activities) and Category 42 (Scientific and Technological Services and Related Research and Design Services, Industrial Analysis and Research, Computer Hardware and Software Design and Development).

To enhance the awareness of intellectual property protection among its employees, the Group also rolled out a special training programme on “Practical Training in Copyrights of Creative Staff”. Moreover, the Group entered an annual cooperation agreement with registered material suppliers to provide an environment for the regulated use of material by employees.

Looking into the new year, SinoMedia will continue to effectively enhance management efficiency; to uphold the integrity-based and win-win cooperation principle; to carry out the energy-saving, environmental-friendly, low-carbon green code of conduct; to step up the people-oriented protection that cares for employees’ physical and mental health and career development; and to play an active role in participating in social and public affairs. While abiding by these commitments, the Group will strive to carry out innovation and make unremitting efforts to build itself into a top and leading integrated media operations conglomerate in China and around the globe.

ANNUAL REPORT 2015 年報

洞察

Smart and Thorough

Directors' Report

The Directors of the SinoMedia Holding Limited (the "Company") are pleased to present their annual report together with the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2015.

PRINCIPAL PLACE OF BUSINESS

The Company is a company incorporated and domiciled in Hong Kong and has its registered office at Unit 402, 4th Floor, Fairmont House, No. 8 Cotton Tree Drive, Admiralty, Hong Kong, and principal places of business at Unit 15D, Xintian International Plaza, No.450 Fushan Road, Pudong New District, Shanghai, PRC and 7/F, The Place – SinoMedia Tower, No.9 Guanghua Road, Chaoyang District, Beijing, PRC.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are providing nationwide TV advertising coverage and campaign planning, and TV advertisement production services for advertisers and advertising agents.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the year ended 31 December 2015 are set out in note 14 to the financial statements.

BUSINESS REVIEW

Details of the business review and performance of the Group for the year ended 31 December 2015 are set out in the section headed "Management Discussion & Analysis" and "Corporate Social Responsibility Report" respectively of this annual report. These discussions form part of this directors' report.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year ended 31 December 2015 is as follows:

	Percentage of the Group's total purchases
The largest supplier	94%
Five largest suppliers in aggregate	95%

The Group's five largest customers accounted for about 22% of the Group's revenue.

At no time during the year under review had the Directors, their associates and any shareholder of the Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in these major suppliers and customers.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2015 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 74 to 77 .

TRANSFER TO RESERVES

Profits attributable to equity shareholders of the Company, before dividends, of RMB121,673 thousand (2014: RMB306,571 thousand) have been transferred to reserves. Other movements in reserves are set out in the Consolidated Statements of Changes in Equity on page 78.

Dividends totaling RMB121,848 thousand (2014: RMB147,908 thousand) was paid in July 2015. The Directors now recommend the payment of a final dividend of HKD10.58 cents per share (2014: final dividend of HKD13.50 cents per share and special dividend of HKD13.50 cents per share) for the year ended 31 December 2015.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group are set out in note 11 to the financial statements.

SHARE ISSUED IN THE YEAR

Details of the shares issued during the year under review are set out in note 23 to the financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company purchased 25,153,000 ordinary shares of the Company on the The Stock Exchange of Hong Kong Limited at an aggregate price of HKD64,272,190. The repurchased shares had been cancelled subsequently in 2015. The details of the repurchased shares are as follows:

Date	Number of Shares Repurchased	Highest Price HKD	Lowest HKD	Aggregate price paid HKD
2015.8.20	5,948,000	2.91	2.55	16,027,500
2015.8.21	2,700,000	2.90	2.67	7,589,830
2015.8.26	1,810,000	2.50	2.35	4,427,950
2015.9.2	832,000	2.50	2.40	2,048,190
2015.9.7	800,000	2.50	2.37	1,963,820
2015.9.23	100,000	2.50	2.49	249,700
2015.9.25	20,000	2.50	2.50	50,000
2015.9.29	613,000	2.50	2.40	1,522,290
2015.9.30	567,000	2.50	2.46	1,415,680
2015.10.15	1,000	2.49	2.49	2,490
2015.10.28	28,000	2.49	2.49	69,720
2015.10.29	771,000	2.49	2.49	1,919,790
2015.10.30	378,000	2.48	2.47	937,170
2015.11.2	800,000	2.49	2.44	1,985,760
2015.11.4	157,000	2.49	2.49	390,930
2015.11.5	94,000	2.49	2.49	234,060
2015.11.10	60,000	2.49	2.49	149,400
2015.11.11	765,000	2.49	2.48	1,904,620
2015.11.12	130,000	2.49	2.49	323,700
2015.11.13	362,000	2.49	2.47	900,780
2015.11.16	800,000	2.49	2.45	1,981,650
2015.11.17	574,000	2.49	2.46	1,428,320
2015.11.18	40,000	2.49	2.49	99,600
2015.11.19	34,000	2.49	2.49	84,660
2015.11.25	800,000	2.49	2.46	1,986,500
2015.11.26	800,000	2.49	2.48	1,991,270
2015.11.27	1,000,000	2.46	2.46	2,460,000
2015.11.30	180,000	2.45	2.38	433,040
2015.12.1	160,000	2.45	2.44	391,700
2015.12.2	114,000	2.45	2.44	279,110
2015.12.3	400,000	2.45	2.41	971,350
2015.12.4	400,000	2.43	2.41	968,630
2015.12.7	363,000	2.45	2.42	881,260
2015.12.8	353,000	2.45	2.40	857,460
2015.12.9	192,000	2.45	2.42	468,640
2015.12.10	354,000	2.45	2.42	860,980
2015.12.11	400,000	2.44	2.42	970,000
2015.12.14	400,000	2.43	2.41	968,870
2015.12.15	400,000	2.43	2.41	968,570
2015.12.16	177,000	2.45	2.42	432,590
2015.12.17	193,000	2.45	2.42	471,260
2015.12.21	83,000	2.45	2.45	203,350
	25,153,000			64,272,190

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS

The Directors during the financial year under review were:

Executive Directors
Chen Xin
Liu Jinlan
Li Zongzhou

Non-executive Director
He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)

Independent Non-executive Directors
Ding Junjie (resigned on 27 January 2015)
Qi Daqing
Lian Yuming
Wang Xin
He Hui David (re-designated as Independent Non-executive Director on 20 November 2015)

Mr. Ding Junjie resigned as a Director on 27 January 2015 due to his other business commitments which require more of his attention and dedication. Mr. Ding had confirmed that he had no disagreement with the Board and there were no circumstances related to his resignation which need to be brought to the attention of the shareholders of the Company.

In accordance with Article 105 of the Company's Articles of Association, Li Zongzhou, Qi Daqing, and Lian Yuming shall retire by rotation at the forthcoming annual general meeting ("AGM") of the shareholders of the Company. All of them, being eligible, will offer themselves for re-election at the AGM.

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensatory obligations.

The list of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is set out in note 14 to the financial statements.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

To attract and retain talent and caliber, the Group provides competitive remuneration packages to its Executive Directors and senior management. These comprise base monthly salary, variable pay and long-term incentive plan which includes share option scheme. The amount of variable pay is set at a percentage of the fixed pay, and is paid yearly relative to performance delivered through plans and objectives with pre-determined criteria and standards.

The remunerations payable to the Directors are determined with reference to their duties and responsibilities with the Company and the market rate for the positions.

The remuneration package of executives is designed so that a proportion is structured to link rewards to corporate and individual performance, and to give incentives to executives to perform at the highest levels. Through job evaluation and job matching, the Group ensures external competitiveness of the pay through reference to market survey and data.

The Non-executive Directors' remuneration relates to the time commitment and responsibilities. They receive fees which comprise the following components:

- Directors' fees, which are usually paid annually; and

- Share options which are rewarded subject to the discretion of the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration of the Directors and senior management during the year under review are set out in note 7 to the financial statements.

FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of Directors and the five highest paid individuals of the Group during the year under review are set out in note 8 to the financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interests in the Company — Long Positions

Name of Director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives *(Note 1)*	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	258,608,169 *(Note 2)*	4,400,000	263,008,169	48.00%
Chen Xin	Founder of discretionary trust and beneficiary of trust	257,428,165 *(Note 3)*	—	257,428,165	46.98%
Li Zongzhou	Beneficial interest	—	2,500,000	2,500,000	0.46%
Qi Daqing	Beneficial interest	—	260,000	260,000	0.05%
Lian Yuming	Beneficial interest	—	200,000	200,000	0.04%
Wang Xin	Beneficial interest	—	200,000	200,000	0.04%

Notes:

1. Details of the underlying shares are set out in the section headed "Share Option Schemes" in this report.

2. Liu Jinlan is deemed to be interested in 258,608,169 shares of the Company. These shares are held by three discretionary trusts, namely UME Trust, DFS (No. 2) Trust and CLH Trust, all founded by Liu Jinlan. In respect of 209,941,513 shares therein held by CLH Trust, Liu Jinlan is also a beneficiary of the trust.

3. Chen Xin is deemed to be interested in 257,428,165 shares of the Company. These shares are held by three discretionary trusts, namely MHS Trust, DFS (No. 1) Trust and CLH Trust, all founded by Chen Xin. In respect of 209,941,513 shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.

(ii) Interests in associated corporations of the Company — Long Positions

Name of Director	Name of associated corporation	Nature of interest	Approximate percentage of issued share capital of the associated corporation
Liu Jinlan	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%
	CTV Golden Bridge International Media Group Co., Ltd.	Corporate interest	0.3%
Chen Xin	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%

Apart from the foregoing, as at 31 December 2015, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

The Company has adopted share option schemes on 29 June 2007 (the "Pre-IPO Scheme") and 27 May 2008 (the "Post-IPO Scheme", collectively the "Schemes") respectively, whereby the Directors have been authorised, at their discretion, to invite any full time employee, Director or any person approved by the Board or shareholders of the Company (collectively the "Eligible Persons") to take up options (the "Pre-IPO Options" and the "Post-IPO Options", respectively) to subscribe for shares of the Company. The Pre-IPO Scheme and the Post-IPO Scheme are designed to encourage Eligible Persons to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and to motivate them to achieve higher levels of good corporate governance.

No further options were and will be granted under the Pre-IPO Scheme after its termination upon the listing of the shares of the Company. The Post-IPO Scheme shall be valid and effective for a period of ten years ending on 7 July 2018.

The principal terms of the Schemes are as follows:

— The total number of shares of the Company issued and to be issued upon exercise of Pre-IPO Options or Post-IPO Options (whether exercised or outstanding) granted under the Schemes in any 12-month period to each grantee must not exceed 1% of the total number of issued shares of the Company.

— The exercise period of any share option granted under the Schemes shall be determined by the Board but such period must not exceed ten years from the date of grant of the relevant share option.

— The Schemes do not specify any minimum holding period but the Board has the authority to determine the minimum period for which a share option in respect of some or all of the shares forming the subject of the share options must be held before it can be exercised.

— The exercise price of a share option to subscribe for shares of the Company shall not be less than the following prices, whichever is higher:

  o the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and

  o the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant, or where the Company has been listed for less than five trading days, the new issue price shall be used as the closing price.

— The acceptance of an offer of the grant of the respective share options must be made within 28 days from the date of offer with a non-refundable payment of HK$1.00 from each grantee.

The total number of securities available for issue under both the Pre-IPO Scheme and the Post-IPO Scheme as at 31 December 2015 was 24,333,000 shares which represented approximately 4% of the total number of issued shares of the Company as at 31 December 2015.

Movements of the share options under the Schemes for the year ended 31 December 2015 are as follows:

Directors	No. of options outstanding at the beginning of the year	No. of options granted during the year	No. of options exercised during the year	No. of options forfeited during the year	No. of options outstanding at the end of the year	Date of grant	Exercise price	Exercise period
Liu Jinlan	3,200,000	–	–	–	3,200,000	10 July 2007	RMB1.56	Note 2
	1,200,000	–	–	–	1,200,000	2 July 2010	HKD1.84	Note 4
Li Zongzhou	1,600,000	–	–	–	1,600,000	10 July 2007	RMB1.56	Note 1
	900,000	–	–	–	900,000	2 July 2010	HKD1.84	Note 4
Qi Daqing	260,000	–	–	–	260,000	17 September 2009	HKD1.49	Note 3
Lian Yuming	200,000	–	–	–	200,000	29 August 2011	HKD2.62	Note 4
Wang Xin	200,000	–	–	–	200,000	11 September 2012	HKD3.22	Note 4
He Hui David	600,000	–	(600,000)	–	–	2 July 2010	HKD1.84	Note 4
Employees								
in aggregate	6,288,000	–	(128,000)	(640,000)	5,520,000	4 July 2007 to 7 March 2008	RMB1.56	Note 1
	400,000	–	–	–	400,000	17 September 2009	HKD1.49	Note 3
	7,705,500	–	(3,682,000)	(500)	4,023,000	2 July 2010	HKD1.84	Note 4
	125,000	–	–	(125,000)	–	22 November 2010	HKD2.82	Note 4
	713,000	–	(63,000)	–	650,000	6 December 2010	HKD2.88	Note 4
	395,000	–	–	(275,000)	120,000	29 August 2011	HKD2.62	Note 4
	800,000	–	–	–	800,000	9 January 2012	HKD2.36	Note 4
	820,000	–	(300,000)	(160,000)	360,000	11 September 2012	HKD3.22	Note 4
	620,000	–	(80,000)	(240,000)	300,000	12 April 2013	HKD4.31	Note 4
	1,680,000	–	–	(400,000)	1,280,000	19 July 2013	HKD6.86	Note 4
	1,080,000	–	–	(160,000)	920,000	10 September 2014	HKD5.50	Note 4
	–	2,400,000	–	–	2,400,000	15 September 2015	HKD2.59	Note 4

Notes:

1 A Pre-IPO Options holder may exercise a maximum of 25% of the total number of the Pre-IPO Options granted after the lapse of 365 days from the acceptance of the Pre-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Pre-IPO Options granted, up to ten years from the date of grant.

Pre-IPO Options granted to Li Zongzhou are exercisable from 8 January 2009 to 9 July 2017, subject to the vesting requirement mentioned above. Exercisable period of the Pre-IPO Options granted to employees of the Group commenced on 8 January 2009 and to be expired on a date ranging from 3 July 2017 to 6 March 2018 (depending on their respective dates of grant of the option) is also subject to the vesting requirement mentioned above.

2 An exception to the vesting requirement mentioned in note (1) above is that Liu Jinlan may exercise a maximum of 50% of the total number of the Pre-IPO Options granted after the lapse of 365 days from the acceptance of the options. Subsequently, for every full year of continuous service with the Company, Liu Jinlan may exercise a maximum of another 25% of the total number of the options granted, up to ten years from the date of grant.

Pre-IPO Options granted to Liu Jinlan is exercisable from 8 January 2009 to 9 July 2017, subject to the vesting requirement mentioned above.

3 A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted from his acceptance of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant.

4 A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES — LONG POSITIONS

As at 31 December 2015, so far as known to the Directors and chief executive of the Company, the following corporations (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Equity Trustee Limited	Trustee *(Note 1)*	306,094,821	55.87%
CLH Holding Limited	Corporate interest *(Note 2)*	209,941,513	38.32%

Notes:

1. Equity Trustee Limited is deemed to be interested in 306,094,821 shares of the Company as it is the trustee of CLH Trust (shares held by Golden Bridge International Culture Limited), MHS Trust (shares held by Merger Holding Service Company Limited), UME Trust (shares held by United Marine Enterprise Company Limited), DFS (No. 1) Trust (shares held by Digital Finance Service Company Limited) and DFS (No. 2) Trust (shares held by SinoMedia Investment Ltd.).

2. These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 209,941,513 shares of the Company held by Golden Bridge International Culture Limited.

Save as disclosed above, so far as known to the Directors and chief executive of the Company, as at 31 December 2015, there was no other persons or corporations (other than a Director or chief executive of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at 31 December 2015 or at any time during the year under review.

MANAGEMENT CONTRACTS

Save for employment contracts, no contracts concerning the management and administration of the whole or any principal business of the Company were entered into or subsisted during the year.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

Such permitted indemnity provisions have been in force throughout the year under review and is currently in force at the time of approval of this report.

EQUITY-LINKED AGREEMENTS

Other than the Pre-IPO Scheme and the Post-IPO Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

FIVE YEAR SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 167 of the annual report. The summary does not form part of the financial statements.

PROVIDENT AND RETIREMENT FUND SCHEMES

The Group's employees in the PRC participate in various defined contribution schemes stipulated by the relevant municipal and provincial governments, under which the Group is required to make monthly contributions to these schemes. The Group's subsidiaries in the PRC contribute funds to the retirement benefit schemes, which are calculated based on a stipulated percentage of the average employee salary as agreed by the relevant municipal and provincial government. The Group has no further obligations for the actual payment of post-retirement benefits beyond the said contributions.

Details of the Group's contributions to the retirement benefit schemes are shown in note 5b to the financial statements.

AUDITORS

The consolidated financial statements for the year ended 31 December 2015 have been audited by the Company's auditors, KPMG, who shall retire and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as the Company's auditors will be proposed at the forthcoming AGM.

AUDIT COMMITTEE

The annual results for the year have been reviewed by the Audit Committee of the Company, which is of the opinion that the preparation of such financial information complies with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Chen Xin
Chairman

Independent Auditor's Report

Independent auditor's report to the members of SinoMedia Holding Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of SinoMedia Holding Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 74 to 166, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 issued by the International Accounting Standards Board, Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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 the 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

23 March 2016

Consolidated Statement of Profit or Loss

For the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Revenue	3	**1,256,871**	1,634,652
Cost of services		**(955,291)**	(1,155,855)
Gross profit		**301,580**	478,797
Other revenue	4	**18,186**	53,321
Other net income	4	**—**	60,118
Selling and marketing expenses		**(44,071)**	(54,654)
General and administrative expenses		**(103,436)**	(113,456)
Profit from operations		**172,259**	424,126
Finance income	5(a)	**27,875**	18,790
Finance costs	5(a)	**(9,048)**	(11,499)
Net finance income		**18,827**	7,291
Share of loss of associate		**(325)**	(840)
Profit before taxation		**190,761**	430,577
Income tax	6(a)	**(74,825)**	(124,691)
Profit for the year		**115,936**	305,886
Attributable to:			
Equity shareholders of the company		**121,673**	306,571
Non-controlling interests		**(5,737)**	(685)
Profit for the year		**115,936**	305,886
Earnings per share	10		
Basic earnings per share (RMB)		**0.220**	0.542
Diluted earnings per share (RMB)		**0.217**	0.528

The notes on pages 80 to 166 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 23(b).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015
(Expressed in Renminbi)

	2015 *RMB'000*	2014 *RMB'000*
Profit for the year	**115,936**	305,886
Other comprehensive income for the year (after tax and reclassification adjustments)	**(2,944)**	3,301
Exchange differences on translation of financial statements of the company and overseas subsidiaries	**(2,944)**	3,301
Total comprehensive income for the year	**112,992**	309,187
Attributable to:		
Equity shareholders of the Company	**118,729**	309,872
Non-controlling interests	**(5,737)**	(685)
Total comprehensive income for the year	**112,992**	309,187

The notes on pages 80 to 166 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment	11	**261,278**	272,555
Investment property	11	**615,151**	629,949
Intangible assets	12	**39,702**	39,955
Goodwill	13	**13,455**	18,015
Interest in associate	15	**6,525**	6,850
Trade and other receivables	17	**1,917**	2,550
Deferred tax assets	22(b)	**2,197**	6,186
		940,225	976,060
Current assets			
Other current financial asset	16(a)	**–**	4,157
Trade and other receivables	17	**544,431**	427,567
Pledged bank deposits	18	**565**	152,183
Time deposits with original maturity over three months	18	**26,502**	30,692
Cash and cash equivalents	18	**418,098**	801,773
		989,596	1,416,372
Current liabilities			
Trade and other payables	19	**265,969**	517,855
Bank loans	20	**–**	145,152
Current taxation	22(a)	**39,710**	49,571
Other current financial liability	16(c)	**–**	534
		305,679	713,112
Net current assets		**683,917**	703,260
Total assets less current liabilities		**1,624,142**	1,679,320
NET ASSETS		**1,624,142**	1,679,320

The notes on pages 80 to 166 form part of these financial statements.

	Note	2015 RMB'000	2014 RMB'000
CAPITAL AND RESERVES			
Share capital	23(c)	**510,981**	500,734
Reserves		**1,103,573**	1,168,674
Total equity attributable to equity shareholders of the Company		**1,614,554**	1,669,408
Non-controlling interests		**9,588**	9,912
TOTAL EQUITY		**1,624,142**	1,679,320

Approved and authorised for issue by the board of directors on 23 March 2016.

Chen Xin
Chairman

Li Zongzhou
Director

The notes on pages 80 to 166 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000 (note 23(c))	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000 (note 23(d))	Statutory reserve RMB'000 (note 23(d))	Translation reserve RMB'000 (note 23(d))	Other reserves RMB'000 (note 23(d))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014	172	485,213	22	27,669	82,632	(4,586)	(9,338)	896,366	1,478,150	27,216	1,505,366
Changes in equity for 2014:											
Profit for the year	–	–	–	–	–	–	–	306,571	306,571	(685)	305,886
Other comprehensive income	–	–	–	–	–	3,301	–	–	3,301	–	3,301
Total comprehensive income	–	–	–	–	–	3,301	–	306,571	309,872	(685)	309,187
Appropriation to reserves	–	–	–	–	7,842	–	–	(7,842)	–	–	–
Contribution from non-controlling interests	–	–	–	167	–	–	–	–	167	68	235
Acquisition of non-controlling interests	–	–	–	–	–	–	11,646	4,681	16,327	(16,327)	–
Shares issued under share option scheme	2	15,325	–	(4,640)	–	–	–	–	10,687	–	10,687
Equity-settled share-based transactions (note 21)	–	–	–	2,113	–	–	–	–	2,113	–	2,113
Transition to no-par value regime	500,560	(500,538)	(22)	–	–	–	–	–	–	–	–
Dividends approved in respect of the previous year (note 23(b))	–	–	–	–	–	–	–	(147,908)	(147,908)	(360)	(148,268)
Balance at 31 December 2014 and 1 January 2015	500,734	–	–	25,309	90,474	(1,285)	2,308	1,051,868	1,669,408	9,912	1,679,320
Changes in equity for 2015:											
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**121,673**	**121,673**	**(5,737)**	**115,936**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(2,944)**	**–**	**–**	**(2,944)**	**–**	**(2,944)**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**(2,944)**	**–**	**121,673**	**118,729**	**(5,737)**	**112,992**
Appropriation to reserves	**–**	**–**	**–**	**–**	**36,412**	**–**	**–**	**(36,412)**	**–**	**–**	**–**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,803)**	**(5,803)**	**5,803**	**–**
Shares issued under share option scheme	**10,247**	**–**	**–**	**(2,671)**	**–**	**–**	**–**	**–**	**7,576**	**–**	**7,576**
Equity-settled share-based transactions (note 21)	**–**	**–**	**–**	**(106)**	**–**	**–**	**–**	**–**	**(106)**	**–**	**(106)**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(53,402)**	**(53,402)**	**–**	**(53,402)**
Dividends approved in respect of the previous year (note 23(b))	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(121,848)**	**(121,848)**	**(390)**	**(122,238)**
Balance at 31 December 2015	**510,981**	**–**	**–**	**22,532**	**126,886**	**(4,229)**	**2,308**	**956,076**	**1,614,554**	**9,588**	**1,624,142**

The notes on pages 80 to 166 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Operating activities			
Cash (used in)/generated from operations	18(b)	**(142,335)**	34,476
PRC income tax paid	22(a)	**(80,697)**	(153,166)
Net cash used in operating activities		**(223,032)**	(118,690)
Investing activities			
Payment for purchase of property, plant and equipment		**(13,180)**	(87,306)
Payment for purchase of intangible assets		**(4,580)**	(5,610)
Proceeds from disposal of investee		**—**	116,749
Refund/(payment) of restricted cash	18	**151,618**	(152,183)
Received/(placement) of term deposits with initial term over three months	18	**4,190**	(30,692)
Interest received		**22,461**	14,633
Net cash generated from/(used in) investing activities		**160,509**	(144,409)
Financing activities			
Proceeds from new bank loans		**—**	146,452
Repayment of bank loans		**(145,152)**	(6,300)
Payment for purchase of own shares		**(53,402)**	—
Proceeds from shares issued under share option scheme		**7,576**	10,687
Borrowing costs paid	5(a)	**(4,842)**	(255)
Payment for purchase of non-controlling interests		**—**	(10,784)
Dividends paid to non-controlling interests		**(540)**	(488)
Dividends paid to equity shareholders of the Company		**(121,848)**	(147,908)
Net cash used in financing activities		**(318,208)**	(8,596)
Net decrease in cash and cash equivalents		**(380,731)**	(271,695)
Cash and cash equivalents at 1 January		**801,773**	1,070,106
Effect of foreign exchange rate changes		**(2,944)**	3,362
Cash and cash equivalents at 31 December	18	**418,098**	801,773

The notes on pages 80 to 166 form part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IASs) and Interpretations issued by the International Accounting Standards Board (IASB). As Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong, are derived from and consistent with IFRSs, these financial statements also comply with HKFRSs. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The equivalent new and revised HKFRSs consequently issued by the HKICPA as a result of these developments have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB. Note 1(c) provides information on any changes in accounting policies resulting from initial application of those developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

In addition, the 2015 annual financial statements is the first issued financial statements in which the Group makes an explicit and unreserved statement of compliance with HKFRSs in order to comply with section 380 of the Hong Kong Companies Ordinance (Cap. 622). Therefore, in preparing these financial statements, management has given due consideration to the requirements of HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards. For this purpose the date of the Group's transition to HKFRSs was determined to be 1 January 2014, being the beginning of the earliest period for which the Group presents full comparative information in these financial statements for the year ended 31 December 2015. With due regard to the Group's accounting policies in previous periods and the requirements of HKFRS 1, management has concluded that no adjustments were required to the amounts reported under IFRSs as at the date of transition to HKFRSs or in respect of the year ended 31 December 2015.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in an associate.

The financial statements are presented in Renminbi ("RMB") (the "presentation currency"), rounded to the nearest thousand.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- derivative financial instruments (see note 1(h)).

The preparation of financial statements in conformity with IFRSs and HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs and HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The IASB and HKICPA have issued the following amendments to IFRSs and HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS/HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to IFRSs/HKFRSs 2010–2012 Cycle*
- *Annual Improvements to IFRSs/HKFRSs 2011–2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

Changes in the group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)) or, when appropriate, the cost on initial recognition of an investment in an associate (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(m)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and (m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the group's net investment in the associate.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)).

In the Group's consolidated statement of financial position, investments in associates are stated at cost less impairment losses (see note 1(m)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below.

Investments in securities which do not fall into the investments in securities held for trading or held-to-maturity securities are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 1 (m)).

When the investments are derecognised or impaired (see note 1(m), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

(i) Recognition and measurement

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the properties.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an investment property less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment property.

The estimated useful life for the current year is as follows:

— Buildings	30–45 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(m)):

— buildings held for own use; and

— other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Other property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Buildings	30–45 years
— Fixtures, fittings, and computer equipment	3–5 years
— Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(m)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(m)). Expenditure on internally generated brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

— Capitalised development costs	10 years
— Patents, trademarks, domain names and others	10 years
— Software	3 years

Both the period and method of amortisation are reviewed annually.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

— property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease(see note 1(i)); and

— land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the group will obtain ownership of the asset, the life of the asset, as set out in note 1(j). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(m). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(i)) or is held for development for sale.

(m) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in associates accounted for under the equity method in the consolidated financial statements (see note 1(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(m)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(m)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

— For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— investment property;

— intangible assets;

— goodwill; and

— investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(m) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS/HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(m)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(m)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(r) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax (continued)

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Media resources management

Revenue from media resources management is primarily derived from the placement of advertisements. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to reports issued by an independent third party with relevant qualification and experience on a monthly basis, which evidence the advertisement actually broadcast.

(ii) Integrated brand communication services

Revenue from integrated brand communication services is primarily derived from commissions received for assisting advertising clients in obtaining advertising time on media platforms, primarily television stations. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group in proportion to the stage of completion of the transaction on a monthly basis. The stage of completion is assessed by reference to service performed to date as a percentage of total services to be performed.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (continued)

(iii) Internet media and content operations

Revenue from internet media and content operations are primarily derived from internet websites operations, and designing and developing advertisement production. The revenue from internet media operations is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The revenue from content operations is recognised when advertisement production is delivered to the customer which is taken to be the point in time when the customer has accepted the advertisement production and the related risks and rewards of ownership.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

— Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

— Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grants that become receivable as compensation for expenses already incurred are recognised in profit or loss as other income of the period in which they become receivable.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Related parties

(a) A person, or a close member of that person’s family, is related to the group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group’s parent.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Related parties (continued)

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

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting (continued)

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

For the years ended 31 December 2015 and 2014, there are no revenues generated from outside Mainland China. As at 31 December 2015 and 2014, the balances of non-current assets, which are based on the physical location of the assets located outside Mainland China, are amounting to RMB155 thousand and RMB18 thousand respectively.

2. ACCOUNTING JUDGEMENT AND ESTIMATES

Key sources of estimation uncertainty are as follows:

The Group's financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. The Group bases the assumptions and estimates on historical experience and on various other assumptions that the Group believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an ongoing basis, the Group evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

— Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 1(m). The recoverable amounts of cash-generating units have been determined based on the higher of the cash-generating units' fair value less costs to sell and its value in use. These calculations require the use of estimates which are disclosed in note 13.

— Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. Both the period and method of depreciation are reviewed annually. The depreciation expense for future periods are adjusted if there are significant changes from previous estimates.

3. REVENUE

	2015 RMB'000	2014 RMB'000
Media resources management	**1,171,265**	1,510,881
Integrated brand communication services	**25,274**	34,037
Internet media and content operations	**29,069**	54,961
Rental income	**51,218**	58,837
Less: Sales taxes and surcharges	**(19,955)**	(24,064)
	1,256,871	1,634,652

4. OTHER REVENUE AND OTHER NET INCOME

Other revenue	*Note*	2015 RMB'000	2014 RMB'000
Government grant	*(i)*	**16,871**	52,236
Others		**1,315**	1,085
		18,186	53,321

(i) It is the unconditional discretionary grants received from the local government authorities in recognition of the Group's contribution to the development of the local economy.

Other net income	2015 RMB'000	2014 RMB'000
Disposal of available-for-sale securities	**–**	60,118

5. PROFIT BEFORE TAXATION

(a) Finance income and costs

	Note	2015 RMB'000	2014 RMB'000
Interest income on bank deposits		**22,461**	14,633
Net foreign exchange gain		**4,880**	—
Changes in fair value of derivative financial instruments	*16*	**534**	4,157
Finance income		**27,875**	18,790
Interest on bank borrowings wholly repayable within five years		**(4,842)**	(255)
Changes in fair value of derivative financial instruments	*16*	**(4,157)**	(4,241)
Net foreign exchange loss		**—**	(5,183)
Others		**(49)**	(1,820)
Finance costs		**(9,048)**	(11,499)
Net finance income		**18,827**	7,291

(b) Staff cost

	Note	2015 RMB'000	2014 RMB'000
Salaries, wages and other benefits		**86,462**	89,915
Contributions to defined contribution retirement plan	*(i)*	**8,022**	8,236
Equity-settled share-based payment expenses	*21*	**(106)**	2,113
		94,378	100,264

(i) Defined contribution retirement plan

As stipulated by the regulations of the PRC, the Group participates in a defined contribution retirement plan organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at rates ranging from 14% to 20% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

5. PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

The following expenses are included in cost of services, selling and marketing expenses and general and administrative expenses.

	Note	2015 RMB'000	2014 RMB'000
Amortisation			
— intangible assets	*12*	**4,833**	3,991
Depreciation	*11*	**28,382**	28,927
Impairment losses			
— trade debtors and bills receivable	*17(b)*	**2,449**	(2,395)
— other debtors		**—**	3,980
— goodwill	*13*	**4,560**	5,629
		7,009	7,214
Operating lease charges: minimum lease payments			
— hire of machinery		**79**	224
— hire of properties		**9,360**	8,958
		9,439	9,182
Auditors' remuneration			
— audit services		**2,980**	3,200
Professional fee		**5,188**	2,955
Research and development costs (other than amortisation costs)		**4,013**	2,169

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2015 *RMB'000*	2014 *RMB'000*
Current tax		
Provision for PRC income tax	**70,836**	119,174
Deferred tax		
Origination and reversal of temporary differences	**3,989**	5,517
Total income tax expense	**74,825**	124,691

(i) No provision has been made for Hong Kong profits tax as the Company and its subsidiary in Hong Kong did not earn any income subject to Hong Kong profits tax during the year.

(ii) No provision has been made for Singapore income tax as the Company's subsidiary in Singapore did not earn any income subject to Singapore income tax during the year.

(iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") is at a preferential rate of 15% as an advanced technology-based service enterprise. Except for the Company and its subsidiaries in Hong Kong and Singapore and Lotour Huicheng, applicable income tax rate of other Group entities in the PRC is the statutory tax rate of 25%.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015 *RMB'000*	2014 *RMB'000*
Profit before taxation	**190,761**	430,577
Notional tax on profit before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions	**50,298**	106,618
Tax effect of non-deductible expenses	**6,156**	6,071
Withholding tax withhold by PRC subsidiaries	**12,961**	11,964
Tax losses not recognised as deferred tax assets	**7,079**	7,565
Offset unused tax losses	**(891)**	(1,437)
Tax effect of non-taxable income	**(778)**	(6,090)
Actual tax expense	**74,825**	124,691

7. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 31 December 2015

	Note	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Contributions to defined contribution retirement plan RMB'000	Equity settled share-based payment RMB'000	Total RMB'000
Executive directors							
Chen Xin		–	1,472	150	44	–	1,666
Liu Jinlan		–	1,954	398	44	–	2,396
Li Zongzhou		–	1,440	405	–	–	1,845
Independent non-executive directors							
Qi Daqing		176	–	–	–	–	176
Lian Yuming		158	–	–	–	12	170
Wang Xin		158	–	–	–	19	177
He Hui David	*(i)*	–	–	–	–	–	–
		492	4,866	953	88	31	6,430

7. DIRECTORS' EMOLUMENTS (CONTINUED)

For the year ended 31 December 2014

	Note	Directors' fees *RMB'000*	Salaries, allowances and other benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Contributions to defined contribution retirement plan *RMB'000*	Equity settled share-based payment *RMB'000*	Total *RMB'000*
Executive directors							
Chen Xin		–	1,229	234	40	–	1,503
Liu Jinlan		–	1,264	420	40	20	1,744
Li Zongzhou		–	1,008	303	–	15	1,326
Non-executive directors							
He Hui David		–	–	–	–	10	10
Independent non-executive directors							
Ding Junjie	*(ii)*	142	–	–	–	–	142
Qi Daqing		158	–	–	–	–	158
Lian Yuming		142	–	–	–	19	161
Wang Xin		142	–	–	–	29	171
		584	3,501	957	80	93	5,215

(i) Mr. He Hui David, an Non-executive Director, was re-delegated as an Independent Non-executive Director on 20 November 2015.

(ii) Mr. Ding Junjie, an Independent Non-executive Director, was resigned on 27 January 2015.

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments during the year ended 31 December 2015, three (2014: three) are Directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2014: two) are as follows:

	2015	2014
	RMB'000	*RMB'000*
Salaries, allowances and other benefits in kind	**3,128**	2,369
Contributions to defined contribution retirement plan	**88**	80
Equity-settled share-based transactions	**–**	80
	3,216	2,529

The emoluments of the two (2014: two) individuals with the highest emoluments are within the following bands:

	2015	2014
Nil to RMB1,000,000	**–**	–
RMB1,000,001 to RMB1,500,000	**–**	2
RMB1,500,001 to RMB2,000,000	**2**	–

9. OTHER COMPREHENSIVE INCOME

There are no tax effects relating to the exchange differences on translation of financial statements of the Company and its subsidiaries in Hong Kong and Singapore during the year (2014: nil).

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB121,673 thousand (2014: RMB306,571 thousand) and the weighted average of 551,834 thousand ordinary shares (2014: 565,116 thousand shares) in issue during the year, calculated as follows:

Profit attributable to ordinary equity shareholders	*Note*	**2015** ***RMB'000***	2014 *RMB'000*
Profit for the year		**121,673**	306,571
Profit attributable to ordinary equity shareholders		**121,673**	306,571

Weighted average number of ordinary shares		**2015** ***'000***	2014 *'000*
Issued ordinary shares at 1 January		**568,215**	561,289
Effect of shares repurchased		**(19,565)**	—
Effect of issues of ordinary shares upon exercise of share options	*23(c)*	**3,184**	3,827
Weighted average number of ordinary shares at 31 December		**551,834**	565,116

10. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB121,673 thousand (2014: RMB306,571 thousand) and the weighted average number of ordinary shares of 559,786 thousand shares (2014: 581,130 thousand shares after adjusting for the effect of share options in issue), calculated as follows:

Profit attributable to ordinary equity shareholders (diluted)	**2015** ***RMB'000***	2014 *RMB'000*
Profit attributable to ordinary equity shareholders (basic and diluted)	**121,673**	306,571

Weighted average number of ordinary shares (diluted)	**2015** ***'000***	2014 *'000*
Weighted average number of ordinary shares (basic)	**551,834**	565,116
Effect of share options in issue	**7,952**	16,014
Weighted average number of ordinary shares (diluted) at 31 December	**559,786**	581,130

11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(a) Reconciliation of carrying amount

	Buildings *RMB'000*	Fixtures, fittings and computer equipment *RMB'000*	Motor vehicles *RMB'000*	Sub-total *RMB'000*	Investment property *RMB'000*	Total *RMB'000*
Original cost						
Balance at 1 January 2014	211,332	16,851	15,787	243,970	729,248	973,218
Additions						
Purchase	3,628	3,116	—	6,744	1,239	7,983
Reclassification	77,116	—	—	77,116	15,887	93,003
Decreases						
Disposals	—	(650)	(505)	(1,155)	—	(1,155)
Reclassification	(15,887)	—	—	(15,887)	(77,116)	(93,003)
Balance at 31 December 2014	276,189	19,317	15,282	310,788	669,258	980,046
Balance at 1 January 2015	**276,189**	**19,317**	**15,282**	**310,788**	**669,258**	**980,046**
Additions						
Purchase	**1,809**	**1,226**	**—**	**3,035**	**—**	**3,035**
Decreases						
Disposals	**(493)**	**(4,528)**	**(184)**	**(5,205)**	**—**	**(5,205)**
Balance at 31 December 2015	**277,505**	**16,015**	**15,098**	**308,618**	**669,258**	**977,876**
Depreciation						
Balance at 1 January 2014	5,465	10,481	8,631	24,577	25,089	49,666
Depreciation						
Charge for the year	8,123	2,788	2,259	13,170	15,757	28,927
Reclassification	1,917	—	—	1,917	380	2,297
Decreases						
Disposals	—	(618)	(433)	(1,051)	—	(1,051)
Reclassification	(380)	—	—	(380)	(1,917)	(2,297)
Balance at 31 December 2014	15,125	12,651	10,457	38,233	39,309	77,542
Balance at 1 January 2015	**15,125**	**12,651**	**10,457**	**38,233**	**39,309**	**77,542**
Depreciation						
Charge for the year	**8,573**	**2,981**	**2,030**	**13,584**	**14,798**	**28,382**
Decreases						
Disposals	**—**	**(4,302)**	**(175)**	**(4,477)**	**—**	**(4,477)**
Balance at 31 December 2015	**23,698**	**11,330**	**12,312**	**47,340**	**54,107**	**101,447**
Net book value						
At 31 December 2015	**253,807**	**4,685**	**2,786**	**261,278**	**615,151**	**876,429**
At 31 December 2014	261,064	6,666	4,825	272,555	629,949	902,504

11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

(b) Fair value measurement of investment properties

According to the Property Valuation Report issued by Beijing Guorongxinghua Real Estate Appraisal Co., Ltd., an independent qualified valuer in Beijing, the fair value as at 31 December 2015 of the Group's investment properties are RMB1,028,674 thousand (2014: RMB1,057,020 thousand).

(c) Fixed assets held under finance leases

At the end of the reporting period, the net book value of buildings held under finance leases of the Group was RMB16,412 thousand (2014: RMB17,068 thousand).

(d) Investment properties leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease receivables under non-cancellable operating leases are as follows:

	2015 ***RMB'000***	2014 *RMB'000*
Within 1 year	**39,526**	59,376
After 1 year but within 5 years	**41,395**	54,309
	80,921	113,685

12. INTANGIBLE ASSETS

	Development costs *RMB'000*	Patents and trademarks *RMB'000*	Softwares *RMB'000*	Total *RMB'000*
Cost				
At 1 January 2014	5,578	35,223	—	40,801
Additions through internal development	5,605	5	—	5,610
At 31 December 2014	11,183	35,228	—	46,411
At 1 January 2015	**11,183**	**35,228**	**—**	**46,411**
Additions through internal development	**3,090**	**1,030**	**460**	**4,580**
At 31 December 2015	**14,273**	**36,258**	**460**	**50,991**
Accumulated amortisation				
At 1 January 2014	1,036	1,429	—	2,465
Charge for the year	494	3,497	—	3,991
At 31 December 2014	1,530	4,926	—	6,456
At 1 January 2015	**1,530**	**4,926**	**—**	**6,456**
Charge for the year	**1,006**	**3,787**	**40**	**4,833**
At 31 December 2015	**2,536**	**8,713**	**40**	**11,289**
Net book value				
At 31 December 2015	**11,737**	**27,545**	**420**	**39,702**
At 31 December 2014	9,653	30,302	—	39,955

The amortisation charge for the year is included in "Cost of services" and "General and administrative expense" in the consolidated statement of profit or loss.

13. GOODWILL

	RMB'000
Cost	
At 1 January 2014, 31 December 2014 and 31 December 2015	23,644
Accumulated impairment losses	
At 1 January 2014	—
Impairment loss	5,629
At 31 December 2014	5,629
At 1 January 2015	**5,629**
Impairment loss	**4,560**
At 31 December 2015	**10,189**
Carrying amount	
At 31 December 2015	**13,455**
At 31 December 2014	18,015

Impairment tests for cash-generating units containing goodwill

Goodwill arises on the acquisition of the subsidiaries including Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") and Hangzhou Sanji Media Company Limited ("Hangzhou Sanji") are as follows:

	2015 ***RMB'000***	2014 *RMB'000*
Lotour Huicheng	**7,453**	7,453
Hangzhou Sanji	**6,002**	10,562
	13,455	18,015

13. GOODWILL (CONTINUED)

Hangzhou Sanji

The recoverable amount of Hangzhou Sanji is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period, and with a discount rate of 18.00%. The major assumption is the growth rate in revenue. The growth rates are based on the past performance of Hangzhou Sanji, its expectation for market development and its development target. The discount rates used are pre-tax and reflect specific risks relating to Hangzhou Sanji.

The impairment loss recognised during the year solely relates to Hangzhou Sanji's advertising activities based in Hangzhou, China. As Hangzhou Sanji has been reduced to its recoverable amount of RMB25 million, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

(Expressed in Renminbi unless otherwise indicated)

14. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2015, the Company had direct and indirect interests in the following subsidiaries:

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Directors
Sino-foreign invested enterprise established in the PRC							
CTV Golden Bridge International Media Group Company Limited 中視金橋國際傳媒集團有限公司	Shanghai, the PRC 23-Jun-05	USD30,000,000	99.70%	99.70%	–	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents	Mr. Chen Xin Ms. Liu Jinlan Mr. Liu Xuming Ms. Jin Lanxiang Mr. Li Zongzhou
Foreign venture enterprise established in Hong Kong							
CTV Golden Bridge International Media (Hong Kong) Company Limited 中視金橋國際傳媒（香港）有限公司	Hong Kong 31-May-11	HKD10,000,000	100%	100%	–	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents	Mr. Chen Xin Ms. Liu Jinlan
Foreign venture enterprise established in Singapore							
Sinomedia Global Pte. Ltd.	Singapore 07-Aug-13	SGD2,000,000	100%	100%	–	Production and distribution of advertisement or any media related items	Ms. Liu Jinlan Mr. Li Zongzhou

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities	Directors
Domestic companies established in the PRC							
CTV Golden Bridge International Media Jiangsu Company Limited 中視金橋國際傳媒江蘇有限公司	Jiangsu, the PRC 30-Jan-07	RMB2,000,000	99.70%	–	100%	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents	Mr. Chen Xin Ms. Liu Jinlan Mr. Li Zongzhou
CTV Golden Bridge International Media Lianshui Company Limited 中視金橋國際傳媒漣水有限公司	Lianshui, the PRC 25-Jun-14	RMB1,000,000	99.70%	–	100%	Provision of nationwide TV advertising coverage, campaign planning, TV advertisement and production services for advertisers and advertising agents	Mr. Chen Xin Ms. Liu Jinlan Mr. Li Zongzhou
Beijing Taihe Ruishi Culture and Media Company Limited 北京太合瑞視文化傳媒有限公司	Beijing, the PRC 04-Nov-08	RMB3,000,000	99.70%	–	100%	Investment holding	Mr. Li Zongzhou
Beijing Golden Bridge Senmeng Media Advertising Company Limited 北京金橋森盟傳媒廣告有限公司	Beijing, the PRC 06-Nov-08	RMB28,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Li Zongzhou Ms. Zhang Wei Ms. Jin Lanxiang

(Expressed in Renminbi unless otherwise indicated)

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities	Directors
Beijing Golden Bridge Yunhan Advertising Company Limited 北京金橋雲漢廣告有限公司	Beijing, the PRC 19-Oct-09	RMB10,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Cui Rui
Beijing Laite Laide Management Consultancy Company Limited 北京萊特萊德管理諮詢有限公司	Beijing, the PRC 19-Oct-09	RMB5,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Li Zongzhou
CTV Golden Bridge Advertising Company Limited 中視金橋廣告有限公司	Shanghai, the PRC 19-Jan-10	RMB50,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Ms. Liu Jinlan Mr. Liu Xuming Ms. Jin Lanxiang
Beijing Bozhiruicheng Information Consultancy Company Limited 北京博智瑞誠信息諮詢有限公司	Beijing, the PRC 23-Nov-10	RMB25,000,000	99.70%	–	100%	Investment holding	Mr. Liu Xuming
Beijing Taihe Ruishi Advertising Company Limited 北京太合瑞視廣告有限公司	Beijing, the PRC 08-Jul-11	RMB1,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Li Zongzhou

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Directors
CTV Golden Bridge Culture Development (Beijing) Company Limited 中視金橋文化發展（北京）有限公司	Beijing, the PRC 24-Nov-11	RMB30,000,000	99.70%	–	100%	Advertisement design production, agency and publishing services, sales of computer software and ancillary equipment	Mr. Huang Ping
Beijing Lotour Huicheng Internet Technology Company Limited 北京樂途匯誠網絡技術有限責任公司	Beijing, the PRC 21-Dec-10	RMB30,841,400	70.80%	–	71%	Provision of nationwide advertising coverage, campaign planning, advertisement production conference service and exhibition design service for advertisers and advertising agents	Mr. Liu Xuming Mr. Wu Zhiqiang Mr. Yan Shiyu Mr. Chen Xin Mr. Peng Bin
Hangzhou Sanji Media Company Limited 杭州三基傳媒有限公司	Hangzhou, the PRC 22-Jun-06	RMB50,930,000	75%	–	75.26%	Provision of information service, production and distribution media production, advertisement production, conference service and exhibition design service for advertisers and advertising agents	Mr. Chen Xin Ms. Liu Jinlan Mr. Lei Wenjun
Hangzhou Dalei Internet Technology Company Limited 杭州大雷網絡科技有限公司	Hangzhou, the PRC 09-May-12	RMB10,000,000	75%	–	75.26%	Provision of information service, performance and brokerage business management, technology advisory conference service, exhibition design service for advertisers and advertising agents	Ms. Li Mingzhu

(Expressed in Renminbi unless otherwise indicated)

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

			Proportion of ownership interest				
Name of company	Place and date of incorporation/ establishment	Registered and fully paid capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities	Directors
CTV Golden Bridge International Media (Tianjin) Company Limited 中視金橋國際傳媒(天津)有限公司	Beijing, the PRC 21-Aug-13	RMB20,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning, advertisement production services for advertisers and advertising agents and rental owned buildings	Ms. Liu Jinlan Mr. Liu Xuming Ms. Jin Lanxiang
Golden Bridge Senmeng Advertising (Tianjin) Company Limited 金橋森盟廣告(天津)有限公司	Beijing, the PRC 27-Aug-13	RMB10,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Chen Xin Mr. Li Zongzhou Ms. Jin Lanxiang
Golden Bridge Yunhan Advertising (Tianjin) Company Limited 金橋雲漢廣告(天津)有限公司	Beijing, the PRC 27-Aug-13	RMB10,000,000	99.70%	–	100%	Provision of nationwide advertising coverage, campaign planning and advertisement production services for advertisers and advertising agents	Mr. Li Zongzhou

15. INTEREST IN ASSOCIATE

	2015	2014
	RMB'000	*RMB'000*
Unlisted shares, at cost	**5,145**	5,145
Goodwill	**4,855**	4,855
Share of loss	**(3,475)**	(3,150)
	6,525	6,850
Less: impairment loss	**—**	—
	6,525	6,850

The following list contains particulars of the associate which principally affected the results or assets of the Group:

			Proportion of ownership interest			
Name of company	**Place of Incorporation**	**Paid up capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activities**
Guoguang Shengshi Culture and Media (Beijing) Company Limited 國廣盛世文化傳媒（北京）有限公司	Beijing, the PRC 27 June 2011	RMB10,000,000	48.9%	–	49%	Provision of nationwide advertising project and coverage, campaign planning, exhibition design service, technical services and consultation, investment management and consulting, property management and marketing planning

(a) Guoguang Shengshi Cultural and Media (Beijing) Company Limited ("Guoguang Shengshi")

CTV Golden Bridge Culture Development (Beijing) Company Limited ("Golden Bridge Culture"), a subsidiary controlled by the Group through contractual arrangements, owns 49% of the voting power of Guoguang Shengshi and has significant influence over the financial and operating policies of Guoguang Shengshi. Global Broadcasting Media Group hold 51% equity interest of Guoguang Shengshi.

15. INTEREST IN ASSOCIATE (CONTINUED)

Summary financial information on the associate is as follows:

	Assets RMB'000	Liabilities RMB'000	Equity RMB'000	Revenue RMB'000	Loss RMB'000
2015					
100 percent	**3,552**	**134**	**3,418**	**2,664**	**663**
Group's effective interest	**1,735**	**65**	**1,670**	**1,302**	**325**
2014					
100 percent	4,435	354	4,081	2,150	1,715
Group's effective interest	2,168	173	1,995	1,051	839

16. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY

(a) Other current financial asset

	2015 RMB'000	2014 RMB'000
Foreign exchange forward	–	4,157

It represents the fair value of a foreign exchange forward as at 31 December 2014, the fair value of the foreign exchange forward is based on the forward exchange rate and the total principle of the contract. As at 31 December 2015, the foreign exchange forward contract fell due, and the changes in the fair value of the foreign exchange forward has been recognised in the consolidated statement of profit or loss.

The movements of other financial asset during the year are set out below:

	The Group RMB'000
At 31 December 2014	4,157
Net changes in fair value of foreign exchange forward	(4,157)
At 31 December 2015	**–**

16. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY (CONTINUED)

(b) Other non-current financial asset

	Note	2015 RMB'000	2014 RMB'000
Available-for-sale equity securities			
Ftuan.com	*(i)*	**–**	–

(i) The Company invested USD 3 million on Ftuan.com, a group purchase website, and obtained 2.71% of its equity interests. The Company provided 100% impairment to the investment on Ftuan.com in the year of 2011 due to the losses on Ftuan.com's financial performance. Since Ftuan.com is not expected to make a profit in the next few years, hence no impairment was reversed in 2015.

	2015 RMB'000	2014 RMB'000
Original cost	**18,952**	18,952
Impairment to the investment on Ftuan.com	**(18,952)**	(18,952)
Carrying value at 31 December	**–**	–

16. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITY (CONTINUED)

(c) Other current financial liability

Other current financial liability as at 31 December 2014 accounted for the fair value of a foreign exchange forward. The fair value of the foreign exchange forward is based on the forward exchange rate and the total principle of the contract. As at 31 December 2015, the foreign exchange forward contract fell due, and the changes in the fair value of foreign exchange forward has been recognised in the consolidated statement of profit or loss.

The movements of other current financial liability during the year are set out below:

	The Group *RMB'000*
At 31 December 2014	534
Net changes in fair value of foreign exchange forward	(534)
At 31 December 2015	**–**

17. TRADE AND OTHER RECEIVABLES

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Trade and other receivables		**1,917**	2,550
Current assets			
Trade debtors and bills receivable		**171,562**	163,307
Less: allowance for doubtful debts	*17(b)*	**(73,529)**	(71,080)
		98,033	92,227
Prepayments and deposits to media suppliers		**425,765**	291,904
Advances to employees		**1,645**	2,372
Other debtors and prepayments	*(i)*	**29,234**	51,310
Less: allowance for doubtful debts		**(10,246)**	(10,246)
		544,431	427,567
		546,348	430,117

(i) The balance is mainly consists of input value-added tax to be deducted, prepaid production cost and various deposits.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), is as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	**63,007**	**—**	52,111	—
3 to 6 months	**18,689**	**—**	29,675	—
6 to 12 months	**3,803**	**—**	1,134	100
Over 12 months	**86,063**	**73,529**	80,387	70,980
	171,562	**73,529**	163,307	71,080

Credit terms are granted to the customers, depending on credit assessment carried out by management on an individual basis. The credit terms for trade receivables are generally from nil to 90 days.

The Group's exposure to credit risks related to trade and other receivables are disclosed in note 24(a).

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly.

The movement in the allowance for doubtful debts impairment in respect of trade and bills receivable during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Balance at 1 January	**71,080**	73,475
Impairment loss recognised for the period	**3,952**	323
Reversal of impairment loss	**(1,503)**	(2,718)
Balance at 31 December	**73,529**	71,080

(b) Impairment of trade debtors and bills receivable (continued)

At 31 December 2015, the Group's trade debtors and bills receivable of RMB73,529 thousand (2014: RMB71,080 thousand) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. The Group does not hold any collateral over these balances.

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2015 RMB'000	2014 RMB'000
Neither past due nor impaired	**63,007**	52,111
Less than 6 months past due	**18,860**	29,815
More than 6 months but less than 12 months past due	**6,139**	9,729
More than 12 months past due	**10,027**	572
Total amount past due	**35,026**	40,116
	98,033	92,227

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. 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.

18. CASH AND CASH EQUIVALENTS

	2015 *RMB'000*	2014 *RMB'000*
Cash at bank and on hand	**418,098**	801,773
Time deposit with original maturity over three months	**26,502**	30,692
Pledged bank deposits	**565**	152,183
Less:	**445,165**	984,648
Time deposit with original maturity over three months	**(26,502)**	(30,692)
Pledged bank deposits	**(565)**	(152,183)
Cash and cash equivalents	**418,098**	801,773

(a) Cash and cash equivalents are denominated in

	2015 *RMB'000*	2014 *RMB'000*
RMB	**330,230**	698,083
USD	**10,989**	74,145
EUR	**1**	1
AUD	**6**	6
SGD	**3,024**	6,982
HKD	**73,848**	22,556
	418,098	801,773

18. CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2015 RMB'000	2014 RMB'000
Profit before taxation		**190,761**	430,577
Adjustments for:			
Depreciation	*5(c)*	**28,382**	28,927
Amortisation of intangible assets	*5(c)*	**4,833**	3,991
Impairment of goodwill	*13*	**4,560**	5,629
Finance costs	*5(a)*	**8,999**	4,496
Finance income	*5(a)*	**(22,995)**	(18,790)
Net gain on disposal of available-for-sale securities		**—**	(60,118)
Share of loss of associate		**325**	840
Net loss on sale of property, plant and equipment		**560**	110
Equity-settled share-based payment expenses	*21*	**(106)**	2,113
		215,319	397,775
Changes in working capital:			
Increase in trade and other receivables		**(116,231)**	(51,302)
Decrease in trade and other payables		**(241,423)**	(311,997)
Cash (used in)/generated from operations		**(142,335)**	34,476

19. TRADE AND OTHER PAYABLES

	Note	2015 RMB'000	2014 RMB'000
Trade payables	(i)	**4,910**	16,956
Payroll and welfare expenses payables		**16,044**	19,197
Other tax payables	(ii)	**13,646**	16,587
Other payables and accrued charges		**38,938**	56,180
Dividends payable due to non-controlling interest of a subsidiary		**856**	1,006
Financial liabilities measured at amortised cost		**74,394**	109,926
Advances from customers	(iii)	**191,575**	407,929
		265,969	517,855

(i) An ageing analysis of trade payables is as follows:

	2015 RMB'000	2014 RMB'000
Due within 3 months	**4,024**	326
Due after 3 months but within 6 months	**880**	330
Due after 6 months but within 12 months	**6**	16,300
	4,910	16,956

(ii) Other tax payables mainly comprised value-added tax payable and the construction fee for cultural undertaking payable.

(iii) Advances from customers represented the down-payments received from customers, which are expected to be recognised as revenue within one year.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 24.

20. BANK LOANS

As at 31 December 2015, the bank loans were repayable as follows:

	2015 *RMB'000*	2014 *RMB'000*
Within one year or on demand	–	145,152

As at 31 December 2015, the bank loans were secured as follows:

	2015 *RMB'000*	2014 *RMB'000*
Secured bank loans	–	145,152

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Pre-IPO Share Option Scheme

On 1 July 2007, the Group granted share options to employees of the Group, including directors of any companies in the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company. The consideration for the acceptance of the option is RMB0.1 per option.

Pursuant to the written resolutions of the directors of the Company passed on 24 April 2008, each of the share option granted was sub-divided into 3.2 share options and the exercise price of share option was divided by 3.2 accordingly. The number and exercise price of share option granted have been retrospectively adjusted for the effects of the share subdivision as if the share option subdivision had took place as at the grant date.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

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

(i) *The terms and conditions of the grants that exist during the years are as follows:*

Grant date	Number of options	Vesting conditions	Contractual life of options
1 July 2007	3,348,000	One year's service	10 years
1 July 2007	2,548,000	Two years' service	10 years
1 July 2007	2,548,000	Three years' service	10 years
1 July 2007	1,876,000	Four years' service	10 years

(ii) *The number and weighted average exercise prices of share options are as follows:*

	2015		2014	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**RMB1.56**	**11,088,000**	RMB1.56	13,556,000
Exercised during the year	**RMB1.56**	**128,000**	RMB1.56	1,828,000
Forfeited during the year	**RMB1.56**	**640,000**	RMB1.56	640,000
Outstanding at the end of the year		**10,320,000**		11,088,000
Exercisable at the end of the year		**10,320,000**		11,088,000

The options outstanding as at 31 December 2015 had an exercise price of RMB1.56 per share and a weighted average remaining contractual life of 1.5 years (2014: 2.5 years).

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

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

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on a binominal lattice model, with following input:

	1 July 2007
Share price	RMB2.31
Exercise price	RMB1.56
Expected volatility	34.39%
Option life	10 years
Expected dividends	0.00%
Risk-free interest rate	4.17%

The expected volatility is based on average implied volatility of comparable companies in the media industry as at 1 July 2007 used in modelling under binomial option pricing model. Expected dividends are based on management estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options are granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market condition associated with the share option grants.

During the year ended 31 December 2015, no equity-settled share-based payment expenses (2014: nil) in respect of the Pre-IPO Share Option Scheme were recognised in the consolidated statement of profit or loss.

(b) Post-IPO Share Option Scheme

Pursuant to the ordinary resolutions of the shareholders of the Company passed on 27 May 2008, the Company has adopted a share option scheme (the "Post-IPO Scheme") whereby directors of the Company may, at their discretion, invite any full time employee, director or any person approved by the Board or shareholders of the Company to take up options which entitle them to subscribe for shares of the Company.

Up to 31 December 2015, the Company granted 11 tranches of share option under Post-IPO Scheme.

(Expressed in Renminbi unless otherwise indicated)

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows:

(1) Post-IPO 1st tranche

On 17 September 2009, the Group granted share options to three independent non-executive directors of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 3 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
17 September 2009	165,000	On the date of grant	8 years
17 September 2009	165,000	One year's service	8 years
17 September 2009	165,000	Two years' service	8 years
17 September 2009	165,000	Three years' service	8 years

(2) Post-IPO 2nd tranche

On 2 July 2010, the Group granted share options to full time employee and two directors of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
2 July 2010	1,336,000	One year's service	8 years
2 July 2010	1,435,000	Two years' service	8 years
2 July 2010	1,575,000	Three years' service	8 years
2 July 2010	1,777,000	Four years' service	8 years

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(3) Post-IPO 3rd tranche

On 22 November 2010, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
22 November 2010	—	One year's service	8 years
22 November 2010	—	Two years' service	8 years
22 November 2010	—	Three years' service	8 years
22 November 2010	—	Four years' service	8 years

(4) Post-IPO 4th tranche

On 6 December 2010, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(4) Post-IPO 4th tranche (continued)

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
6 December 2010	162,500	One year's service	8 years
6 December 2010	162,500	Two years' service	8 years
6 December 2010	162,500	Three years' service	8 years
6 December 2010	162,500	Four years' service	8 years

(5) Post-IPO 5th tranche

On 29 August 2011, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
29 August 2011	80,000	One year's service	8 years
29 August 2011	80,000	Two years' service	8 years
29 August 2011	80,000	Three years' service	8 years
29 August 2011	80,000	Four years' service	8 years

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(6) Post-IPO 6th tranche

On 9 January 2012, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
9 January 2012	200,000	One year's service	8 years
9 January 2012	200,000	Two years' service	8 years
9 January 2012	200,000	Three years' service	8 years
9 January 2012	200,000	Four years' service	8 years

(7) Post-IPO 7th tranche

On 11 September 2012, the Group granted share options to full time employee and a director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(7) Post-IPO 7th tranche (continued)

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
11 September 2012	80,000	One year's service	8 years
11 September 2012	110,000	Two years' service	8 years
11 September 2012	185,000	Three years' service	8 years
11 September 2012	185,000	Four years' service	8 years

(8) Post-IPO 8th tranche

On 12 April 2013, the Group granted share options to full time employee and a director of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
12 April 2013	75,000	One year's service	8 years
12 April 2013	75,000	Two years' service	8 years
12 April 2013	75,000	Three years' service	8 years
12 April 2013	75,000	Four years' service	8 years

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(9) Post-IPO 9th tranche

On 19 July 2013, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
19 July 2013	290,000	One year's service	8 years
19 July 2013	330,000	Two years' service	8 years
19 July 2013	330,000	Three years' service	8 years
19 July 2013	330,000	Four years' service	8 years

(10) Post-IPO 10th tranche

On 10 September 2014, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

(Expressed in Renminbi unless otherwise indicated)

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(i) The terms and conditions of the grants that exist during the years are as follows: (continued)

(10) Post-IPO 10th tranche (continued)

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
10 September 2014	230,000	One year's service	8 years
10 September 2014	230,000	Two years' service	8 years
10 September 2014	230,000	Three years' service	8 years
10 September 2014	230,000	Four years' service	8 years

(11) Post-IPO 11th tranche

On 15 September 2015, the Group granted share options to full time employee of the Group, to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. Each instalment is accounted for as a separate share-based payment arrangement.

The terms and conditions of the grants that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
15 September 2015	600,000	One year's service	8 years
15 September 2015	600,000	Two years' service	8 years
15 September 2015	600,000	Three years' service	8 years
15 September 2015	600,000	Four years' service	8 years

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(ii) The number and weighted average exercise prices of share options are as follows:

	Post-IPO Option 1st tranche		Post-IPO Option 2nd tranche		Post-IPO Option 3rd tranche		Post-IPO Option 4th tranche		Post-IPO Option 5th tranche		Post-IPO Option 6th tranche	
At 1 January 2014	HKD1.49	660,000	HKD1.84	15,048,500	HKD2.82	125,000	HKD2.88	873,000	HKD2.62	2,170,000	HKD2.36	800,000
Granted		–		–		–		–		–		–
Exercised		–	HKD1.84	4,538,000		–	HKD2.88	160,000	HKD2.62	155,000		–
Lapsed		–	HKD1.84	105,000	HKD2.82	–		–	HKD2.62	1,420,000		–
At 31 December 2014	HKD1.49	660,000	HKD1.84	10,405,500	HKD2.82	125,000	HKD2.88	713,000	HKD2.62	595,000	HKD2.36	800,000
At 1 January 2015	**HKD1.49**	**660,000**	**HKD1.84**	**10,405,500**	**HKD2.82**	**125,000**	**HKD2.88**	**713,000**	**HKD2.62**	**595,000**	**HKD2.36**	**800,000**
Granted		**–**		**–**		**–**		**–**		**–**		**–**
Exercised		**–**	**HKD1.84**	**4,282,000**		**–**	**HKD2.88**	**63,000**		**–**		**–**
Lapsed		**–**	**HKD1.84**	**500**	**HKD2.82**	**125,000**		**–**	**HKD2.62**	**275,000**		**–**
At 31 December 2015	**HKD1.49**	**660,000**	**HKD1.84**	**6,123,000**	**HKD2.82**	**–**	**HKD2.88**	**650,000**	**HKD2.62**	**320,000**	**HKD2.36**	**800,000**
Currently exercisable As at 31 December 2015	**HKD1.49**	**660,000**	**HKD1.84**	**6,123,000**	**HKD2.82**	**–**	**HKD2.88**	**650,000**	**HKD2.62**	**320,000**	**HKD2.36**	**600,000**

	Post-IPO Option 7th tranche		Post-IPO Option 8th tranche		Post-IPO Option 9th tranche		Post-IPO Option 10th tranche		Post-IPO Option 11th tranche		Total
At 1 January 2014	HKD3.22	1,785,000	HKD4.31	700,000	HKD6.86	1,840,000		–		–	24,001,500
Granted		–		–		–	HKD5.50	1,080,000		–	1,080,000
Exercised	HKD3.22	165,000	HKD4.31	80,000		–		–		–	5,098,000
Lapsed	HKD3.22	600,000		–	HKD6.86	160,000		–		–	2,285,000
At 31 December 2014	HKD3.22	1,020,000	HKD4.31	620,000	HKD6.86	1,680,000	HKD5.50	1,080,000		–	17,698,500
At 1 January 2015	**HKD3.22**	**1,020,000**	**HKD4.31**	**620,000**	**HKD6.86**	**1,680,000**	**HKD5.50**	**1,080,000**		**–**	**17,698,500**
Granted		**–**		**–**		**–**		**–**	**HKD2.59**	**2,400,000**	**2,400,000**
Exercised	**HKD3.22**	**300,000**	**HKD4.31**	**80,000**		**–**		**–**		**–**	**4,725,000**
Lapsed	**HKD3.22**	**160,000**	**HKD4.31**	**240,000**	**HKD6.86**	**400,000**	**HKD5.50**	**160,000**		**–**	**1,360,500**
At 31 December 2015	**HKD3.22**	**560,000**	**HKD4.31**	**300,000**	**HKD6.86**	**1,280,000**	**HKD5.50**	**920,000**	**HKD2.59**	**2,400,000**	**14,013,000**
Currently exercisable As at 31 December 2015	**HKD3.22**	**375,000**	**HKD4.31**	**150,000**	**HKD6.86**	**640,000**	**HKD5.50**	**230,000**	**HKD2.59**	**–**	**9,748,000**

The options of Post-IPO 1st tranche outstanding as at 31 December 2015 had an exercise price of HKD1.49 per share and a weighted average remaining contractual life of 1.75 years.

The options of Post-IPO 2nd tranche outstanding as at 31 December 2015 had an exercise price of HKD1.84 per share and a weighted average remaining contractual life of 2.5 years.

The options of Post-IPO 3rd tranche outstanding as at 31 December 2015 had an exercise price of HKD2.82 per share and a weighted average remaining contractual life of 2.9 years.

The options of Post-IPO 4th tranche outstanding as at 31 December 2015 had an exercise price of HKD2.88 per share and a weighted average remaining contractual life of 2.95 years.

The options of Post-IPO 5th tranche outstanding as at 31 December 2015 had an exercise price of HKD2.62 per share and a weighted average remaining contractual life of 3.33 years.

The options of Post-IPO 6th tranche outstanding as at 31 December 2015 had an exercise price of HKD2.36 per share and a weighted average remaining contractual life of 4.02 years.

The options of Post-IPO 7th tranche outstanding as at 31 December 2015 had an exercise price of HKD3.22 per share and a weighted average remaining contractual life of 4.69 years.

The options of Post-IPO 8th tranche outstanding as at 31 December 2015 had an exercise price of HKD4.31 per share and a weighted average remaining contractual life of 5.28 years.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(ii) The number and weighted average exercise prices of share options are as follows: (continued)

The options of Post-IPO 9th tranche outstanding as at 31 December 2015 had an exercise price of HKD6.86 per share and a weighted average remaining contractual life of 5.55 years.

The options of Post-IPO 10th tranche outstanding as at 31 December 2015 had an exercise price of HKD5.50 per share and a weighted average remaining contractual life of 6.69 years.

The options of Post-IPO 11th tranche outstanding as at 31 December 2015 had an exercise price of HKD2.59 per share and a weighted average remaining contractual life of 7.70 years.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on a binominal lattice model, with following input:

	Date of grant	Share Price at grant date	Exercise price	Expected volatility	Option life (expressed as weighted average life)	Expected dividends	Risk-free interest rate
Post-IPO 1st tranche	17 September 2009	HKD1.49	HKD1.49	43.77%	8 years	2.49%	2.16%
Post-IPO 2nd tranche	2 July 2010	HKD1.74	HKD1.84	46.17%	8 years	1.61%	2.09%
Post-IPO 3rd tranche	22 November 2010	HKD2.82	HKD2.82	45.72%	8 years	1.30%	2.02%
Post-IPO 4th tranche	6 December 2010	HKD2.88	HKD2.88	45.70%	8 years	1.30%	2.16%
Post-IPO 5th tranche	29 August 2011	HKD2.60	HKD2.62	41.47%	8 years	2.94%	1.74%
Post-IPO 6th tranche	9 January 2012	HKD2.36	HKD2.36	42.58%	8 years	5.37%	1.52%
Post-IPO 7th tranche	11 September 2012	HKD3.22	HKD3.22	43.51%	8 years	4.96%	0.66%
Post-IPO 8th tranche	12 April 2013	HKD4.31	HKD4.31	44.58%	8 years	5.33%	0.95%
Post-IPO 9th tranche	19 July 2013	HKD6.68	HKD6.86	45.82%	8 years	3.94%	2.20%
Post-IPO 10th tranche	10 September 2014	HKD5.40	HKD5.50	55.13%	8 years	6.00%	1.98%
Post-IPO 11th tranche	15 September 2015	HKD2.52	HKD2.59	56.48%	8 years	10.00%	1.43%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected change to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Post-IPO Share Option Scheme (continued)

(iii) Fair value of share options and assumptions (continued)

Share options are granted mainly under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market condition associated with the share option grants.

22. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2015 *RMB'000*	2014 *RMB'000*
PRC income tax		
Balance at the beginning of the year	**49,571**	83,563
Provision for the year	**70,836**	119,174
Tax paid	**(80,697)**	(153,166)
Balance of tax provision at the end of the year	**39,710**	49,571

22. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from	Accrued expenses *RMB'000*	Tax loss carry-forwards *RMB'000*	Total *RMB'000*
At 1 January 2014	(3,512)	(8,191)	(11,703)
Charged to profit or loss	718	4,799	5,517
At 31 December 2014	(2,794)	(3,392)	(6,186)
At 1 January 2015	**(2,794)**	**(3,392)**	**(6,186)**
Charged to profit or loss	**2,794**	**1,195**	**3,989**
At 31 December 2015	**—**	**(2,197)**	**(2,197)**

(ii) Reconciliation to the consolidated statement of financial position

	2015 *RMB'000*	2014 *RMB'000*
Net deferred tax asset recognised in the consolidated statement of financial position	**(2,197)**	(6,186)

(c) Deferred tax assets and liabilities not recognised:

As at 31 December 2015, temporary differences relating to the undistributed retained earnings of PRC subsidiaries amounted to RMB1,087,884 thousand (2014: RMB1,065,442 thousand). Deferred tax liability of RMB108,462 thousand (2014: RMB106,225 thousand) have not been recognised in respect of the tax that would be payable on the distribution of these retained earnings as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that those retained earnings are not likely to be distributed in the foreseeable future.

23. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the Consolidated Statement of Changes in Equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital *RMB'000* *(note 23(c))*	Share premium *RMB'000*	Capital redemption reserve *RMB'000*	Capital reserve *RMB'000* *(note 23(d))*	Translation reserve *RMB'000* *(note 23(d))*	Retained profits *RMB'000* *(note 23(d))*	Total *RMB'000*
Balance at 1 January 2014	172	485,213	22	27,669	(66,409)	170,988	617,655
Changes in equity for 2014:							
Total comprehensive income for the year	–	–	–	–	6,067	123,650	129,717
Equity-settled share-based transactions (note 21)	–	–	–	2,113	–	–	2,113
Exercise of share option	2	15,325	–	(4,640)	–	–	10,687
Transition to no-par value regime on 3 March 2014	500,560	(500,538)	(22)	–	–	–	–
Dividends approved in respect of the previous year	–	–	–	–	–	(147,908)	(147,908)
Balance at 31 December 2014 and 1 January 2015	**500,734**	**–**	**–**	**25,142**	**(60,342)**	**146,730**	**612,264**
Changes in equity for 2015							
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**32,371**	**86,305**	**118,676**
Equity-settled share-based transactions (note 21)	**–**	**–**	**–**	**(106)**	**–**	**–**	**(106)**
Exercise of share option	**10,247**	**–**	**–**	**(2,671)**	**–**	**–**	**7,576**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**(53,402)**	**(53,402)**
Dividends approved in respect of the previous year	**–**	**–**	**–**	**–**	**–**	**(121,848)**	**(121,848)**
Balance at 31 December 2015	**510,981**	**–**	**–**	**22,365**	**(27,971)**	**57,785**	**563,160**

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2015 **RMB'000**	2014 RMB'000
Final dividend proposed after the end of the reporting period date of approximately RMB8.90 cents per ordinary share (2014: approximately RMB21.42 cents per ordinary share in total)	**48,517**	121,732

Pursuant to a resolution passed at the Director's meeting on 23 March 2016, a dividend of HKD10.58 cents per share in respect of the year ended 31 December 2015 totalling of HKD57,651 thousand (equivalent to approximately RMB48,517 thousand at an exchange rate of 0.84156) will be proposed for shareholders' approval at the Annual General Meeting. Dividend HKD57,651 thousand in total proposed after the statement of financial position date has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Group attributable to the previous financial year approved during the year

	2015 **RMB'000**	2014 RMB'000
Dividends to equity shareholders of the Company	**121,848**	147,908

Pursuant to the board resolutions dated 10 June 2015, the Company declared dividends at an aggregate amount of HKD154,597 thousand (equivalent to approximately RMB121,848 thousand at an exchange rate of 0.78817) to the equity shareholders from the distributable reserve. Such dividends were fully paid in July 2015.

(Expressed in Renminbi unless otherwise indicated)

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital

(i) Issued share capital

	2015 No. of ordinary shares	2015 HKD	2014 No. of ordinary shares	2014 HKD
Ordinary shares, issued and fully paid:				
At 1 January	**568,215,370**	**568,952,090**	561,289,370	175,403
Shares issued under share option scheme	**4,853,000**	**12,978,740**	6,926,000	2,164
Shares repurchased	**25,153,000**	**—**	—	—
Transition to no-par value regime on 3 March 2014 (note)	**—**	**—**	—	568,774,523
At 31 December	**547,915,370**	**581,930,830**	568,215,370	568,952,090
RMB equivalent		**510,981,107**		500,733,933

Note: The transition to the no-par value regime under the Hong Kong Companies Ordinance occurred automatically on 3 March 2014. On that date, the share premium account and any capital redemption reserve were subsumed into share capital in accordance with section 37 of Schedule 11 to the Ordinance. These changes did not impact on the number of shares in issue or the relative entitlement of any of the members. Since that date, all changes in share capital have been made in accordance with the requirements of Parts 4 and 5 of the Ordinance.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(ii) Purchase of own shares

During the year, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of Shares repurchased	Highest price paid per share *HKD*	Lowest price paid per share *HKD*	Aggregate price paid *HKD '000*	Equivalent to *RMB '000*
August 2015	10,458,000	2.91	2.35	28,177	23,230
September 2015	1,752,000	2.5	2.37	4,340	3,562
October 2015	1,209,000	2.5	2.4	3,027	2,480
November 2015	6,565,000	2.49	2.44	16,385	13,523
December 2015	5,169,000	2.46	2.38	12,661	10,607
				64,590	53,402

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD64,590 thousand (equivalent to approximately RMB53,402 thousand) was paid wholly out of retained profits.

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iii) Shares issued under share option scheme

In January 2015 and March 2015 to June 2015, options were exercised to subscribe for 4,853,000 ordinary shares in the Company at a consideration of RMB10,247 thousand, all of which was credited to share capital. RMB2,671 thousand was transferred from the capital reserve to the share capital account in accordance with policy set out in note 1(r)(ii).

(iv) Terms of unexpired and unexercised share options at the end of reporting period

(1) Pre-IPO Scheme

A pre-IPO share options holder may exercise a maximum of 25% of the total number of the pre-IPO share options granted after the elapse of 365 days from the acceptance of the pre-IPO share options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the pre-IPO share options granted, up to ten years from the date on which the pre-IPO share options are granted.

Exercisable period of the pre-IPO share options granted to employees of the Group commences on 8 January 2009 and expires on a date ranging from 3 July 2017 to 6 March 2018 (depending on their respective date of grant of the option), subject to the vesting requirement mentioned above.

At 31 December 2015, there were 10,320,000 unexercised pre-IPO share options (2014: 11,088,000) at an exercise price of RMB1.56.

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the end of reporting period (continued)

(2) Post-IPO Scheme

The Company has adopted share option schemes on 27 May 2008 (the "Post-IPO Scheme").

Exercise period	Exercise price	2015 Number	2014 Number
17 September 2009 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2010 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2011 to 16 September 2017	HKD1.49	**165,000**	165,000
17 September 2012 to 16 September 2017	HKD1.49	**165,000**	165,000
2 July 2011 to 1 July 2018	HKD1.84	**4,895,000**	4,895,000
2 July 2012 to 1 July 2018	HKD1.84	**4,895,000**	4,895,000
2 July 2013 to 1 July 2018	HKD1.84	**4,895,000**	4,895,000
2 July 2014 to 1 July 2018	HKD1.84	**4,895,000**	4,895,000
22 November 2011 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2012 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2013 to 21 November 2018	HKD2.82	**325,000**	325,000
22 November 2014 to 21 November 2018	HKD2.82	**325,000**	325,000
6 December 2011 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2012 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2013 to 5 December 2018	HKD2.88	**265,000**	265,000
6 December 2014 to 5 December 2018	HKD2.88	**265,000**	265,000
29 August 2012 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2013 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2014 to 28 August 2019	HKD2.62	**635,000**	635,000
29 August 2015 to 28 August 2019	HKD2.62	**635,000**	635,000
9 January 2013 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2014 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2015 to 8 January 2020	HKD2.36	**350,000**	350,000
9 January 2016 to 8 January 2020	HKD2.36	**350,000**	350,000
11 September 2013 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2014 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2015 to 10 September 2020	HKD3.22	**465,000**	465,000
11 September 2016 to 10 September 2020	HKD3.22	**465,000**	465,000
12 April 2014 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2015 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2016 to 11 April 2021	HKD4.31	**175,000**	175,000
12 April 2017 to 11 April 2021	HKD4.31	**175,000**	175,000
19 July 2014 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2015 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2016 to 18 July 2021	HKD6.86	**470,000**	470,000
19 July 2017 to 18 July 2021	HKD6.86	**470,000**	470,000
10 September 2015 to 9 September 2022	HKD5.50	**270,000**	270,000
10 September 2016 to 9 September 2022	HKD5.50	**270,000**	270,000
10 September 2017 to 9 September 2022	HKD5.50	**270,000**	270,000
10 September 2018 to 9 September 2022	HKD5.50	**270,000**	270,000
15 September 2016 to 14 September 2023	HKD2.59	**600,000**	–
15 September 2017 to 14 September 2023	HKD2.59	**600,000**	–
15 September 2018 to 14 September 2023	HKD2.59	**600,000**	–
15 September 2019 to 14 September 2023	HKD2.59	**600,000**	–
		34,460,000	32,060,000

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at the end of reporting period (continued)

(2) Post-IPO Scheme (continued)

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 21 to the financial statements.

At 31 December 2015, there were 14,013,000 unexercised post-IPO share options (2014: 17,698,500).

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises the contribution from non-controlling interests and the portion of the grant date fair value of unexercised share options granted to employees and directors of the Group that has been recognised in accordance with the accounting policy adopted for equity-settled share-based transactions in note 1(r)(ii).

(ii) Statutory reserve

Pursuant to applicable PRC regulations, certain PRC subsidiaries are required to transfer 10% of their profit after income tax (after offsetting prior year's losses, if applicable) to statutory reserve until such reserve reaches 50% of the registered capital. The transfer to the reserve must be made before distribution of dividends to equity holders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(iii) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements presented in any currencies other than RMB which are dealt with in accordance with the accounting policies as set out in note 1(v).

23. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (continued)

(iv) Other reserves

Other reserves comprises the difference between the carrying amount of the net assets received and the consideration paid, as a result of the reorganisation during which the Company acquired subsidiaries from the ultimate controlling shareholders of the Group in 2006 and 2007.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 90 days from the date of billing. Debtors with overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 0.00 % (2014: 0.00%) and 4.20 % (2014: 6.36%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral is represented by the carrying amount of trade and other receivables in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any other guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 17.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	2015 Contractual undiscounted cash outflow					
	Within 1 year or on demand *RMB'000*	**More than 1 year but less than 2 years** *RMB'000*	**More than 2 years but less than 5 years** *RMB'000*	**More than 5 years** *RMB'000*	**Total** *RMB'000*	**Carrying amount** *RMB'000*
Trade and other payables*	**74,394**	**—**	**—**	**—**	**74,394**	**74,394**

	2014 Contractual undiscounted cash outflow					
	Within 1 year or on demand *RMB'000*	More than 1 year but less than 2 years *RMB'000*	More than 2 years but less than 5 years *RMB'000*	More than 5 years *RMB'000*	Total *RMB'000*	Carrying amount *RMB'000*
Trade and other payables*	109,926	—	—	—	109,926	109,926
Bank loans	145,152	—	—	—	145,152	145,152
Other financial liability	534	—	—	—	534	534

* Excludes advances from customers

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk

The Group is exposed to currency risk primarily through trade and other receivables, trade and other payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars, and Singapore dollars.

(i) Forecast transactions

The Group did not hedge its foreign currency exposure other than by retaining its foreign currency denominated earnings and receipts to the extent permitted by the State Administration of Foreign Exchange.

(ii) Recognised assets and liabilities

In respect of trade and other receivables, trade and other payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(iii) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	2015 *RMB'000*	2014 *RMB'000*
Trade and other receivables		
— in HKD	**810**	5,191
— in SGD	**369**	—
Cash and cash equivalents		
— in USD	**10,989**	74,145
— in EUR	**1**	1
— in AUD	**6**	6
— in SGD	**3,024**	6,982
— in HKD	**73,855**	26,556
Trade and other payables		
— in HKD	**(1,703)**	(13,342)
— in SGD	**(756)**	(51)
Bank loans		
— in HKD	**—**	(145,152)
Gross exposure	**86,595**	(45,664)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(iii) Exposure to currency risk (continued)

The following significant exchange rates applied during the year:

RMB	Average rate 2015	Average rate 2014	Reporting date spot rate 2015	Reporting date spot rate 2014
HKD	**0.8134**	0.7878	**0.8378**	0.7889
USD	**6.3063**	6.1080	**6.4936**	6.1190
AUD	**4.8725**	5.2238	**4.7276**	5.0174
EUR	**7.2754**	7.9373	**7.0952**	7.4556
SGD	**4.6136**	4.7121	**4.5875**	4.6396

(iv) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2015		2014	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and retained earnings** ***RMB'000***	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings *RMB'000*
USD	**10%**	**1,099**	10%	7,415
	(10%)	**(1,099)**	(10%)	(7,415)
AUD	**10%**	**1**	10%	1
	(10%)	**(1)**	(10%)	(1)
EUR	**10%**	**0.1**	10%	0.1
	(10%)	**(0.1)**	(10%)	(0.1)
HKD	**10%**	**7,296**	10%	(12,676)
	(10%)	**(7,296)**	(10%)	12,676
SGD	**10%**	**264**	10%	693
	(10%)	**(264)**	(10%)	(693)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(iv) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter—company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2014.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS/HKFRS 13, Fair value measurement.

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value(continued)

The Group

	Fair value at 31 December 2015 RMB'000	Fair value measurement as at 31 December 2015 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Other current financial asset	–	–	–	–
Liability				
Other current financial liability	–	–	–	–

The Group

	Fair value at 31 December 2014 RMB'000	Fair value measurement as at 31 December 2014 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Other current financial asset	4,157	4,157	–	–
Liability				
Other current financial liability	534	534	–	–

During the year ended 2015 and 2014, there were no transfer between instruments in Level 1 and Level 2, or transfer into or out of Level 3.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value measurement (continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2014.

25. COMMITMENTS

(a) Capital commitment

As at 31 December 2015, the Group did not have any significant capital commitment.

(b) Operating commitments

As at 31 December 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 *RMB'000*	2014 *RMB'000*
Within one year	**4,311**	4,650
After one year but within five years	**2,741**	4,438
Total	**7,052**	9,088

As at the reporting date, non-cancellable contracts for purchasing advertisement resources payable by the Group are as follows:

	2015 *RMB'000*	2014 *RMB'000*
Within one year	**98,013**	97,125

26. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2015, the Group did not have any significant contingent assets and liabilities.

27. MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Note	2015 RMB'000	2014 RMB'000
Rental of office	*(i)*	**722**	722

(i) CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Company Limited, which was effectively controlled by the ultimate controlling shareholder of the Group for the period from 1 January 2015 to 31 December 2015 at a price of RMB722 thousand per annum. The amount of rent charged under the lease was determined with reference to amounts charged by Shanghai CTV Golden Bridge International Culture and Communication Company Limited to third parties.

(b) Outstanding balance with related parties

	2015 RMB'000	2014 RMB'000
Rental of office	**722**	722

The balance represents non-cancellable rentals payable by the Group to Shanghai CTV Golden Bridge International Culture and Communication Company Limited for the rentals of 2015.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2015 RMB'000	2014 RMB'000
Short-term employee benefits	**6,399**	5,122
Equity-settled share-based transactions	**31**	93
	6,430	5,215

Total remuneration is included in "Personnel expenses" (see note 5(b)).

28. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2015 *RMB'000*	2014 *RMB'000*
Non-current assets		
Investments in subsidiaries	**250,283**	234,749
	250,283	234,749
Current assets		
Trade and other receivables	**241,628**	436,637
Pledged bank deposits	**—**	1,785
Cash and cash equivalents	**73,162**	86,244
	314,790	524,666
Current liabilities		
Trade and other payables	**1,913**	1,999
Bank loans	**—**	145,152
	1,913	147,151
Net current assets	**312,877**	377,515
Total assets less current liabilities	**563,160**	612,264
NET ASSETS	**563,160**	612,264
CAPITAL AND RESERVES		
Share capital	**510,981**	500,734
Reserves	**52,179**	111,530
TOTAL EQUITY	**563,160**	612,264

Approved and authorised for issue by the board of directors on 23 March 2016.

Chen Xin
Chairman

Li Zongzhou
Director

(Expressed in Renminbi unless otherwise indicated)

29. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed dividends payable to equity shareholders of the Company. Further details are disclosed in note 23(b).

30. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2015, the directors consider the immediate parent and the ultimate holding company of the Group to be Golden Bridge International Culture Limited and CLH Holding Limited respectively, both of which are incorporated in Cayman Islands. These two entities do not produce financial statements available for public use.

31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the IASB/HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual Improvements to IFRSs/HKFRSs 2012–2014 Cycle	1 January 2016
Amendments to IFRS/HKFRS 10 and IAS/HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	1 January 2016
Amendments to IFRS/HKFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to IAS/HKAS 1, *Disclosure initiative*	1 January 2016
Amendments to IAS/HKAS 16 and IAS/HKAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
IFRS/HKFRS 15, *Revenue from contracts with customers*	1 January 2017
IFRS/HKFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Five Year Summary

(Expressed in Renminbi)

	2015 *RMB'000*	2014 *RMB'000*	2013 *RMB'000*	2012 *RMB'000*	2011 *RMB'000*
Results					
Revenue	**1,256,871**	1,634,652	1,767,036	1,642,113	1,617,800
Profit from operations	**172,259**	424,126	506,131	419,672	352,292
Net finance income	**18,827**	7,291	20,909	18,589	16,340
Share of (loss)/profit of associates	**(325)**	(840)	3,455	(1,169)	(7,169)
Profit before taxation	**190,761**	430,577	530,495	437,092	361,463
Income tax	**(74,825)**	(124,691)	(158,808)	(131,468)	(119,132)
Profit for the year	**115,936**	305,886	371,687	305,624	242,331
Attributable to:					
Equity shareholders of the Company	**121,673**	306,571	369,108	302,591	238,945
Non-controlling interests	**(5,737)**	(685)	2,579	3,033	3,386
Profit for the year	**115,936**	305,886	371,687	305,624	242,331
Assets and liabilities					
Property, plant and equipment	**261,278**	272,555	219,393	53,253	56,229
Investment property	**615,151**	629,949	704,159	3,766	3,899
Intangible assets	**39,702**	39,955	38,336	—	—
Goodwill	**13,455**	18,015	23,644	—	—
Prepayments	**—**	—	—	792,869	230,000
Interest in associates	**6,525**	6,850	44,153	48,086	47,722
Other non-current financial assets	**—**	—	23,417	24,339	30,447
Deferred tax assets	**2,197**	6,186	11,703	5,146	3,643
Trade and other receivables	**1,917**	2,550	1,800	—	—
Net current assets	**683,917**	703,260	438,761	318,683	667,539
Total assets less current liabilities	**1,624,142**	1,679,320	1,505,366	1,246,142	1,039,479
Other non-current financial liability	**—**	—	—	(12,442)	(14,245)
NET ASSETS	**1,624,142**	1,679,320	1,505,366	1,233,700	1,025,234

Five Year Summary

(Expressed in Renminbi)

	2015 RMB'000	2014 RMB'000	2013 RMB'000	2012 RMB'000	2011 RMB'000
Capital and reserves					
Share capital	**510,981**	500,734	172	171	171
Reserves	**1,103,573**	1,168,674	1,477,978	1,224,542	1,018,704
Total equity attributable to equity shareholders of the Company	**1,614,554**	1,669,408	1,478,150	1,224,713	1,018,875
Non-controlling interests	**9,588**	9,912	27,216	8,987	6,359
TOTAL EQUITY	**1,624,142**	1,679,320	1,505,366	1,233,700	1,025,234
Earnings per share					
Basic earnings per share (RMB)	**0.220**	0.542	0.661	0.544	0.424
Diluted earnings per share (RMB)	**0.217**	0.528	0.636	0.532	0.419

SinoMedia®

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SinoMedia Holding Limited

(incorporated in Hong Kong with limited liability)

（於香港註冊成立之有限公司）