DHA GROUP

大賀傳媒股份有限公司

DAHE MEDIA CO., LTD.*

(a joint stock limited company established in the People's Republic of China with limited liability)

(Stock Code: 8243)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "Board") of Dahe Media Co., Ltd. (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. This announcement, containing the full text of the 2014 annual report of the Company ("2014 Annual Report"), complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of annual results. This annual results announcement and the 2014 Annual Report will be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at www.dahe-ad.com. The printed version of the 2014 Annual Report will be delivered to the shareholders of the Company ("Shareholders").

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2014
(RMB thousand except where otherwise stated)

	2014	2013	% Change
Turnover	**422,060**	428,954	(1.6)
Profit from Operating Activities	**58,550**	46,040	27.2
Profit Attributable to Equity Holders of the Company	**13,396**	6,163	117.4
Total Assets	**697,638**	790,975	(11.8)
EBITDA	**85,277**	72,657	17.4
Basic and Diluted Earnings Per Share *(RMB cents)*	**1.6**	0.7	128.6
Current Ratio *(Times)*	**1.3**	1.4	(7.1)
Net Debt to Equity Ratio *(%)*	**62**	31	200
Cash Position	**106,495**	198,559	(46.4)
Proposed Final Dividend Per Share *(RMB cents)*	**—**	—	—

REVIEW OF ANNUAL RESULTS

The audit committee of the Company ("Audit Committee") has reviewed with the senior management of the Company the accounting principles and practices adopted by the Group, discussed auditing and financial reporting matters and reviewed the consolidated financial statements of the Company for the year ended 31 December 2014 before they presented the same to the Board for approval.

大賀傳媒股份有限公司
DAHE MEDIA CO., LTD.*

(a joint stock limited company incorporated established in the People's Republic of China with limited liability)
(Stock Code：8243)

2014
Annual Report

*For identification Purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of the companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Contents

BOARD OF DIRECTORS

Executive directors
HE Chaobing
LU Yin

Non-executive directors
LI Huafei
HE Lianyi
HE Pengjun

Independent non-executive directors
YE Jianmei
SUN Yingcai (resigned on 12 June 2014)
GE Jianya
XU Haoran (appointed on 12 June 2014)

AUDIT COMMITTEE
YE Jianmei
SUN Yingcai (resigned on 12 June 2014)
GE Jianya
XU Haoran (appointed on 12 June 2014)

COMPANY SECRETARY
WONG Hudson (resigned on 31 October 2014)
TSUI Kei Pang (appointed on 31 October 2014)

AUTHORISED REPRESENTATIVES
HE Chaobing
LU Yin

COMPLIANCE OFFICER
HE Chaobing

REGISTERED OFFICE
Jianye District
No. 18 Jialingjiang East Street
Nanjing
The PRC

PRINCIPAL PLACE OF BUSINESS
5th Floor
Jardine House
1 Connaught Place
Hong Kong

AUDITOR
Baker Tilly Hong Kong Limited

HONG KONG LEGAL ADVISER
Gallant Y. T. Ho & Co.

PRINCIPAL BANKERS
China CITIC Bank (Yueyahu Branch)

HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
46th Floor Hopewell Centre
183 Queen's Road East
Hong Kong

WEB-SITE AND E-MAIL ADDRESS
web-site: http://www.dahe-ad.com
Email address: zhengq@dahe-ad.com

STOCK CODE
8243

On behalf of the Board of Directors (the "Board") of Dahe Media Co., Ltd. (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014.

BUSINESS OVERVIEW AND REVIEW

The Group is mainly engaged in outdoor media dissemination, terminal dissemination services, outdoor advertising media production and trading of artwork. The Group has abundant outdoor media resources and owns various types of media resources and joint resources, such as large LED advertising screens, high-speed media network, large advertising boards in urban areas, social media, intelligent terminals and joint resources, and is an outdoor media integrated marketing communication provider in China. The core business of terminal dissemination includes terminal SI planning, design and execution, targeted signage system design and execution, terminal activation management, terminal POP management, yearly festive atmosphere arrangement, exhibition display, offline promotion activities and significant tournament activities planning, execution of activities, exhibition display and public relations activities. In the "Enkon Express Media 3.0" meida business of the Group, active research and development has been conducted on the application of "internet of things" in traditional areas based on the internet model of cloud computing to provide one-stop social integrated marketing communication service for enterprises, which plays an important role in the expansion of the Group in the new media market and maintains the Group's leading position in the creative media industry in the PRC. Trading of artwork involves identification of genuine artists, compilation of online and offline promotion plans through packaging of the artists and based on the positioning of the artists, organizing auctions of various scales, as well as the development and sales of derivative products of calligraphy and paintings.

For the year ended 31 December 2014, the Group's revenue amounted to approximately RMB422.1 million (2013: approximately RMB428.9 million). The decrease in turnover was attributable to the decrease in the volume of the Group's outdoor advertising due to enforcement action on outdoor advertising by the government of Nanjing during the period of Youth Olympic Games as well as the increase in profit due to a reduction in management cost as a result of improvement in the Group's management system. During the year, profit attributable to shareholders increased by 117% to approximately RMB13.4 million (2013: approximately RMB6.2 million). The basic earnings per share was approximately RMB1.6 cents (2013: RMB0.7 cents).

During the year, the Group's revenue derived from outdoor media dissemination, terminal dissemination, media production services and trading of artwork amounted to RMB247.7 million (2013: approximately RMB257.6 million), RMB121.4 million (2013: approximately RMB107.8 million), RMB50.7 million (2013: approximately RMB58.9 million) and RMB2.2 million (2013: approximately RMB4.6 million), representing 58.7%, 28.8%, 12% and 0.5% of the total revenue of the Group, respectively.

Currently, the Group has outdoor media resources of approximately 150,000 square meters, including billboards on expressways, billboards on building roofs in urban areas, landscape boards along roads and large LED screens. Its business coverage has extended to 64 major cities across China. During the period, the average launching rate of the Group's outdoor media continued to remain at approximately 70%, with major customers from various industries such as fast-moving consumer goods, media, real estate, finance and tourism. The Group has maintained cooperation relationship with renowned enterprises including Sociedade de Turismo e Diversoes de Macau S.A.R.L., Wuzhen Travel, Bank of Jiangsu, China Merchants Bank, Nanjing Securities, Bank of Nanjing, Wuliangye and Suning.

In recent years, the development of new media brought opportunities and challenges to the traditional advertising industry. Its unique interactive mode and support of technologies greatly reduced the restrictions of the traditional media. "Enkon Express Media", a community dissemination media newly developed by the Group, has perfectly integrated brand marketing and community sales. Its industry unique characteristics in technology, creativity and marketability appealed to advertising customers and consumers. Currently, the Group has approximately 8,000 "Enkon Express Media" billboards, covering 9 million households with medium to high income levels in approximately 5,500 communities in cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing, Hangzhou and Shenyang, and providing outdoor media dissemination resources of approximately 28,000 square meters. Meanwhile, "Enkon Express Media" continued to focus on expansion into sectors including finance, tourism, telecommunications and fast-moving consumer goods. It has successfully signed cooperation agreements with Industrial and Commercial Bank of China, Suning Electric, Wuzhen Travel and Gubeishui Town. It has also formed partnership with various leading domestic and international famous brands such as China Mobile, Carrefour, Wal-Mart, China Telecom, New City Real Estate (新城市置業), China Minsheng Bank, China UnionPay, JDB China and Shandong Hengan Paper (山東恒安紙業). As the first brand name of the noble community media in China, this project brought a turnover of approximately RMB89.29 million and a profit of RMB16 million to the Group, representing a decrease of 8% and an increase of 55% when compared with the same period of last year respectively.

"Terminal Dissemination" continued to serve well-known brands such as Wuzhen Travel, Nike, JDB, COFCO Group, Yihai Kerry, Wal-Mart, CR Vanguard, Li Ning, KFC, LEE, Bridgestone, Beiqi Foton Motor Daimler, Samsung, etc. In particular, the contract value of projects such as Li Ning, Beiqi Foton Motor, CR Vanguard, Nike, LEE and Samsung amounted to nearly RMB60 million.

In addition to media dissemination and production services, Dahe also attached great importance to public service activities. The Group organized the global Chinese new year celebration activity named "Hello, the Future", which shocked the world and promoted the Chinese culture. By combining the Chinese arts of painting and calligraphy, this activity extended new year greetings to people all over the world and attracted global attention. It was reported by more than 300 media agencies, including People's Daily and CCTV, which are the most authoritative media in China, and Reuters.

As a renowned advertising enterprises in China, Dahe has been adhering to the principles of "building an excellent team, creating fine media products, providing quality service" and offering quality advertising media package and diversified professional services to customers, and won general recognition and excellent comments in the market. During the year, the Group had received various honours and awards. In March, Dahe served the Chefs de Mission Seminar for the Youth Olympic Games which was held at Fairmont Hotel Nanjing and was attended by 204 Chefs de Mission from all over the world. As the service provider for the seminar, the Group provided professional conference services for the seminar and won good customer satisfaction. This laid a solid foundation for the future cooperation between the Group and the Organizing Committee for the Youth Olympic Games and resulted in closer cooperation and a sense of trust. In addition to this, Dahe Media received an appreciation letter from the hotel team of the International Olympic Committee of the second Summer Youth Olympic Games in recognition of the Company's great support and contribution to the efforts of the hotel team of the International Olympic Committee. The "NIKE all star weekend" experience store project of Dahe Media won the nomination award in the awards ceremony of the seventh ROI Festival, which attracted nearly 5,000 elites in the creative industry from all over the world. On May, 2014, the Group's plan for "international youth painting and calligraphy competition (國際青少年書畫大賽)" was awarded as "excellent creative solution (優秀創意方案)" in the network conscription activities for creative solutions with a theme of "my dream Youth Olympic Games (我夢想中的青奧會)". The "Hello • World"「你好 • 世界」, a multinational cultural media project of Dahe, was recognized the "PRC Community Advertisement Yellow River Price Annual Outstanding Prize".

OUTLOOK

In 2014, the PRC government promulgated various supporting policies in respect of the culture industry, all of which were unprecedented in terms of scope, number, intensity and supporting strength. This indicates that as the PRC government places extreme emphasis on the development of the culture industry, it is accelerating the promotion of this industry into a pillar industry and aims to achieve the optimization and upgrading of the economic structure. In April, the General Office of the State Council issued the Notice on the Printing and Distribution of the Two Requirements for the Transformation of Operational Culture Entities into Enterprises in the Cultural Regime Reform and the Further Support for the Development of Cultural Enterprises (關於印發文化體制改革中經營性文化事業單位轉制為企業和進壹步支持文化企業發展兩個規定的通知) (the "Notice"). The Notice requires that central and local fiscal authorities shall set aside special development funds for the culture industry and, where condition permits, expand the scale of the special funds, introduce new investment patterns and improve the policy support system. It also requires that amendments and improvement should be made to a series of important economic policies aimed at promoting culture reform and development, so as to provide strong support for a new reform of the cultural regime.

Meanwhile, the PRC government expect that investments in the railway transportation sector alone shall exceed RMB1,000 billion before 2020. In view of the increasing number of outdoor travelers and climbing in travel frequency and length of time, the Group is firmly confident in the future growth of the outdoor advertising business. This indicates that China's outdoor advertising media is highlighting its great commercial value. Driven by both national favorable policies and stable growth in domestic demand, the Group will efficiently utilize outdoor space through technological innovation and breakthroughs in creativity to make dissemination effect more precise.

In 2014, the art market in China went forward on the stable track and gradually became mature, professional, international and diversified. As the group of artwork buyers in China grows rapidly and new growth points and focal points in the market become clear, the economic value of artworks in capital protection and appreciation is enhanced. Its strong market demand has fueled the development of the artwork auction market in China.

Looking forward, the Group will, in addition to further exploring resources of outdoor advertising and communicating services, continue to develop art trading business and promote capital operations and professional development of art trading through market consolidation of resources. With that, the Group aims to further expand its influence in the art market, laying a solid foundation for long-term growth.

ACKNOWLEDGMENT

I would like to take this opportunity to thank all the employees and management for their contributions and efforts made to the Group, and express our gratitude to our customers for their continuous support to the Group's products and services and to our shareholders for their trust and support.

By order of the Board
He Chaobing
Chairman

Nanjing, the PRC
26 March 2015

Financial Highlights and Dairy

For the year ended 31 December 2014

(RMB)

	2014	2013
	RMB'000	*RMB'000*
Revenue	**422,060**	428,954
Profitability		
Profit from operating activities (Note)	**58,550**	46,040
Profit attributable to owners of the Company	**13,396**	6,163
Net Worth		
Equity attributable to owners of the Company	**306,958**	341,851
Per share		
Basic and diluted earnings per share (RMB)	**1.6 cents**	0.7 cents
Net assets per share attributable to owners of the Company (RMB)	**36.98 cents**	41.19 cents

FINANCIAL DIARY

Results for the year	Announcement on 26 March 2015
Annual report	Dispatched to shareholders in late March 2015

Note: Operating profit is profit before tax and finance costs

BUSINESS REVIEW

For the year ended 31 December 2014, the Group's revenue amounted to approximately RMB422.1 million (2013: approximately RMB428.9 million), representing a decrease of approximately 1.6% as compared to the same period of last year. The decrease in turnover was attributable to the decrease in the volume of the Group's outdoor advertising due to enforcement action on outdoor advertising by the government of Nanjing during the period of Youth Olympic Games as well as the increase in profit due to a reduction in management cost as a result of improvement in the Group's management system. During the year, profit attributable to shareholders amounted to approximately RMB13.4 million (2013: approximately RMB6.2 million), representing an increase of approximately 117% as compared to the same period of last year. Earnings per share increased by 128.6% to RMB1.6 cents (2013: RMB0.7 cents).

The Group's revenue from outdoor advertising media dissemination, terminal dissemination service, outdoor advertising media production business and trading of artwork accounted for approximately 58.7% (2013: 60.1%), 28.8% (2013: 25.1%), 12% (2013: 13.7%) and 0.5% (2013: 1.1%) of the Group's total revenue, respectively. The Board did not recommend the distribution of final dividend for the year ended 31 December 2014 (2013: nil).

Media Dissemination Business

For the year ended 31 December 2014, the Group's revenue from media dissemination business was approximately RMB247.7 million, representing a decrease of approximately 3.5% as compared to the same period of last year and accounting for 58.7% of the Group's total revenue. Currently, the Group has outdoor media resources of approximately 150,000 square meters, including billboards on expressways, billboards on building roofs in urban areas, landscape boards along roads and large LED screens. Its business coverage has extended to 64 major cities across China. During the period, the average launching rate of the Group's outdoor media remained at approximately 70%, with major customers from various industries such as fast-moving consumer goods, media, real estate, finance and tourism.

"Enkon Express Media", the community media initiated by the Group, continued to be well received and supported by customers. During the year, it contributed to the Group's revenue and profit of approximately RMB90 million (2013: approximately RMB97 million) and approximately RMB16 million (2013: approximately RMB10 million) respectively. Currently, approximately 8,000 express media boards targeting 9 million households with medium and high income in nearly 5,500 communities have been set up. The scope of coverage has been extended to cities including Beijing, Shanghai, Guangzhou, Nanjing, Shenzhen, Hangzhou, Shenyang and Hefei, and contributed approximately 28,000 square meters of outdoor media dissemination resources to the Group.

Meanwhile, "Enkon Express Media" continued to focus on expansion into sectors including finance, tourism, communication and fast-moving consumer goods and maintained its partnerships with various leading domestic and international brands such as China Mobile, Carrefour, Wal-Mart, China Telecom, New City Real Estate (新城市置業), China Minsheng Bank, China UnionPay, JDB China Shandong Hengan Paper (山東恒安紙業) and Jiuhuashan Scenic Area, etc.

Terminal Dissemination Service, Media Production Business and Trading of Artwork Business

The Group continued to further its "terminal dissemination service" business during the year, and recorded a total revenue of approximately RMB121.4 million, representing an increase of approximately 12.6% as compared to the same period of last year and accounting for approximately 28.8% of the Group's total revenue. "Terminal Dissemination" continued to serve well-known brands such as Wuzhen Travel, Nike, JDB, CR Vanguard, LEE, Bridgestone and Beiqi Foton Motor Daimler, etc. In particular, Dahe Media's intelligence team served the First World Internet Conference by completing the fabrication and installation of direction signage system for Wuzhen Travel, providing Dahe cloud-based screen, which is a new type of interactive device, and integrating the allocation of outdoor media resources, thus strengthing the epitaxial momentum of the Internet conference.

During the year, the revenue of the Group's media production business was RMB50.7 million, representing a decrease of approximately 13.8% as compared to the same period of last year and accounting for approximately 12% of the Group's total revenue.

During the year, the revenue of the Group's trading of artwork business was approximately RMB2.2 million, representing approximately 0.5% of the total revenue of the Group.

"Sina Jiangsu" website

The "Sina Jiangsu" website jointly established by the Group and Sina provided localized news, leisure and entertainment, as well as life-style information to users in Jiangsu with the best services and products of web 2.0. The establishment of Sina Jiangsu marked the Group's commencement of internet operation and enhanced the Group's capabilities in internet dissemination, such that the Group's marketing and dissemination industrial chain was optimized through the integration of its businesses such as brand planning, media release, production engineering, public relations for events, internet and new media businesses into a comprehensive industrial chain for Dahe marketing communications, which were expected to lay a solid foundation for the Group's future development.

Dahe Arts Gallery

With the mission of promoting China's painting and calligraphy art and bringing Chinese artists with good potential or proven skills to the global market and world class art galleries through market consolidation of resources, Dahe Arts Gallery strives to become the global channel provider for trading of arts and the disseminator of Greater China cultures. Dahe Arts Gallery aims at finding genuine artists and implements online and offline promotion through the positioning of artists and carries out exhibit auctions of various sizes and the development of later period painting and calligraphy derivatives. During the year, Dahe Media cooperated with the Society of Jiangsu Heritage Conservation (江蘇省文物保護學學會) in holding the "Arts Exhibition in Golden Autumn" (金秋惠友尊享會). During this event, masterpieces of painters such as Cai Yuanpei, Huang Binhong, Qi Gong, Fu Baoshi, Qian Song Yawei, He Jiaying and Liu Wenxi as well as various kinds of amazing collectables were exhibited and well received by art collectors, which brought positive impacts on enhancing the Group's recognition and further expanding its influence. Ma Zikai, a master of Chinese culture, artist of ancient seal script and a contracted painter of Dahe Arts Gallery, also held an "Ancient Seal Script Art Exhibition" in the Louvre, France. Mr. Ma Zikai became the third Chinese artist that has held an exhibition in the world's top art gallery.

AWARDS AND HONOURS

The Chairman

During the year, Mr. He Chaobing, Chairman of Dahe Media, was invited to attend the 43rd IAA World Congress in 2014. This congress addressed in detail the value of advertising for economic development, social progress and cultural innovation and provided a guidance for the development of the world advertising dissemination industry. In recognition of his significant contribution to the advertising sector, Mr. He Chaobing was named as one of the "Ten Elites of Outdoor Advertising in the Past Decade" in the "Outdoor Advertising in the Past Decade" awards ceremony in November.

Dahe Group

During the year, the Chefs de Mission Seminar for the Youth Olympic Games was held at Fairmont Hotel Nanjing. With the attendance of 240 Chefs de Mission from all over the world, the seminar was a satisfactory success. As the service provider for the seminar, the Company provided professional conference services for the Organizing Committee for the Youth Olymplic Games and won good customer satisfaction.

The Group won the title of "enterprise credit rating certificate – AAA (企業資信等級證書-AAA級)" issued by the Jiangsu branch of Lianhe Credit Information Co., Ltd, a credit rating institution recognized by the headquarters of the People's Bank of China.

In April 2014, the landing of advertisement for "top 10 Jinling painters' painting and calligraphy exhibition (金陵十家書畫展)" sponsored by the Group at New York Times Square, was elected as "major events for Jiangsu's brands in 2013 (2013品牌江蘇大事件) and regarded as "an initiative in Chinese culture brands".

In May 2014, the Group's plan for "international youth painting and calligraphy competition (國際青少年書畫大賽)" was awarded as "excellent creative solution (優秀創意方案)" in the network conscription activities for creative solutions with a theme of "my dream Youth Olympic Games (我夢想中的青奧會)".

Dahe Media received an appreciation letter from the hotel team of the International Olympic Committee of the second Summer Youth Olympic Games in recognition of the Company's great support and contribution to the efforts of the hotel team of the International Olympic Committee.

The seventh ROI awards ceremony was successfully concluded at Shanghai Centre Theatre, attracting nearly 5,000 elites in the creative industry from all over the world. The "NIKE all star weekend" experience store project of Dahe Media won the nomination award in this creative festival.

The "Hello, the World" transnational culture dissemination project of Dahe Group won the Annual Excellece Award in China Public Service Advertisement Grand Prix.

The Group won the highest prize "Top 10 Private Cultural Enterprises (民營文化企業十強)" in the first 2014 Nanjing cultural industry "golden plane (金梧桐)" campaign sponsored by Nanjing Cultural Industry Association (南京文化產業協會) under the guidance of Nanjing Municipal Propaganda Department (南京市委宣傳部) and Nanjing Culture, Radio, Film, TV, Press and Publication Bureau (南京市文廣新局).

FUTURE SIGNIFICANT INVESTMENT PLANS AND EXPECTED SOURCE OF FUNDS

The Group will continue to enhance the innovative capability and profitability of its existing business, particularly the extensive and in-depth promotion of Enkon Express Media, so as to increase its market share. As at 31 December 2014, the Group did not hold any significant investment and consider or formulate any new significant investment plans.

MATERIAL ACQUISITION AND DISPOSAL

On 30 May 2014, the Company entered into a sale and purchase agreement with Dahe Investment Holdings Group Co., Ltd., the holding of the Company, pursuant to which, the Company acquired 49% equity interests in Nanjing Millennium Ankang International Media Co., Ltd. from Dahe Investment Holdings Group Co., Ltd. at a consideration of RMB63,750,000. On 13 October 2014, the Company disposed of its 55% equity interests in Sichuan Xintianjie Media Technology Development Co., Ltd., together with all rights and benefits attached thereto, to Sichuan Aidi Technology Co., Ltd. at a consideration of RMB 11,187,000. Details of the material acquisition and disposal are set out in notes 32 and 33 to the consolidated financial statements, respectively.

INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC ("CIT"), the CIT is calculated on the estimated assessable profits at 25%. According to the relevant laws and regulations of the PRC, the Company is qualified as a high new technology enterprise. Therefore, the Company is eligible for a preferential enterprise income tax rate of 15% for the year ended 31 December 2014, while the subsidiaries of the Company are eligible for a CIT rate of 25%. CIT for 2014 was approximately RMB13.32 million, and in 2013 it was approximately RMB10.52 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, trade and other payables decreased to approximately RMB51.3 million from approximately RMB61.9 million in 2013. Trade and note receivables increased to approximately RMB241.7 million from RMB236.5 million in 2013.

As at 31 December 2014, bank balance and cash and pledged bank deposits held by the Group amounted to approximately RMB106.5 million; bank borrowings amounted to approximately RMB297.5 million. Net Debt-Equity Ratio was approximately 61.7%, being the percentage of bank borrowings less bank balance and cash over total equity of approximately RMB309.8 million. The Group controlled our capital based on the Net Debt-Equtiy Ratio, and implemented solid financial policy to safeguard liquidity to satisfy our operating needs.

Profit attributable to shareholders of the Company were approximately RMB13.4 million, an increase of 117% as compared with approximately RMB6.2 million for the last year.

SELLING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

During the year, selling and distribution expenses and administrative expenses were approximately RMB121.3 million, while in 2013, it was approximately RMB123.9 million.

FINANCE COSTS

During the year, finance costs were approximately RMB20.3 million, while in 2013 it was approximately RMB21.1 million.

NON-CONTROLLING INTERESTS

At 31 December 2014, non-controlling interests amounted to approximately RMB2.8 million, while in 2013 it was approximately RMB26.6 million.

FOREIGN EXCHANGE RISKS

As the Group's business operations are located in the PRC and all the Group's sales and purchases are denominated in RMB, there are no foreign exchange risks affecting the operation results of the Group.

ASSETS

For the year ended 31 December 2014, the net current assets of the Group were approximately RMB113.2 million, and net assets were approximately RMB309.8 million. In 2013, they were approximately RMB159.76 million and approximately RMB368.4 million, respectively.

EMPLOYEES

As at 31 December 2014, the Group has a total of approximately 590 full-time staff (2013: 700 full-time staff). The remuneration paid to employees is in line with market rate. During the year, the Group regularly provided training and development programs to the staff.

The Group had not experienced any major labor disputes or significant changes in the number of staff causing any impact to its normal business operations. The Directors considered that the relationship between the Group and its employees was good.

REMUNERATION POLICY

The Group provides competitive salary and benefits to our employees. Salary of the employees is reviewed regularly each year under our salary policy based on their performance.

EMPLOYEES' PENSION SCHEME

According to relevant requirements of the PRC, the Company contributes to various mandatory pension schemes for its employees.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2014, the Group's pledged bank deposits of RMB10 million (2013: RMB50 million) were pledged as security for the Group's borrowings.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no material contingent liabilities.

FINANCIAL GUARANTEE

At 31 December 2014, the Group has outstanding guarantee of RMB5 million (2013: RMB45 million) provided to the holding company of the Company for its bank borrowings.

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the dissemination of outdoor advertising through ownership and leasing of outdoor advertising space, design and production of outdoor advertising products, provision of terminal dissemination service and trading of artwork.

SEGMENTAL INFORMATION

The revenue and operating profit of the Group are entirely derived from the PRC. The Group has four reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The Group's reportable segments are media dissemination, media production, terminal dissemination and trading of artwork.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2014 and the state of affair of the Company and the Group at that date are set out in the consolidated financial statements on pages 43 to 122.

The Board does not recommend the distribution of final dividend for the year ended 31 December 2014.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's largest customer and the five largest customers accounted for approximately 6% and 27% of the Group's turnover respectively. The Group's largest supplier and five largest suppliers accounted for approximately 2% and 8% of the Group's purchases, respectively.

To the best knowledge of the directors, none of the directors, supervisors, their associates or any shareholders who own more than 5% of the Group's issued share capital had any beneficial interest in the Group's five largest customers and suppliers.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statement and restated/ reclassified as appropriate, is set out on pages 123 to 124. This summary does not from part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of the movements in property, plant and equipment and investment properties of the Group during the year are set out in notes 16 and 15 to the consolidated financial statements, respectively.

INTANGIBLE ASSETS

Details of the movements in intangible assets of the Group during the year are set out in note 19 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the subsidiaries of the Group are set out in note 20 to the consolidated financial statements.

BANK BORROWINGS

Particulars of bank borrowings of the Group are set out in note 28 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in registered, issued and fully paid capital of the Company during the year. Details of the share capital are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the People's Republic of China which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity and note 30 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2014, the Company's reserves available for distribution or distribution in specie amounted to approximately RMB146.91 million.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Group did not purchase, sell or redeem any of its listed securities during the year.

DIRECTORS

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

Executive directors:

HE Chaobing
LU Yin

Non-executive directors:

LI Huafei
HE Lianyi
HE Pengjun

Independent non-executive directors

SUN Yingcai (resigned on 12 June 2014)
GE Jianya
YE Jianmei
XU Haoran (appointed on 12 June 2014)

The Company has received annual confirmation of independence from Ge Jianya, Ye Jianmei and Xu Haoran and still considers them to be independent as at the date of this annual report.

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Details of biographies of the Company's directors, supervisors and the senior management of the Group are set out on pages 28 to 30 of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the directors and supervisors' emoluments and those of the five highest paid individuals in the Group are set out in note 14 to the consolidated financial statements.

REMUNERATION POLICY OF THE GROUP

The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, work duties and years of service in the Group. The non-monetary benefits are determined by the Board and are provided in the remuneration package of the Directors or the employees.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the executive directors and supervisors has entered into a service contract with the Company with effect from 1 January 2015 for a term of three years.

Each of the non-executive directors and independent non-executive directors will be paid a fixed amount of director's fee per annum.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the consolidated financial statements and under the section "CONTINUING CONNECTED TRANSACTION", no directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries were a party during the year.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or Supervisors of the Company or any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 31 December 2014.

SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES HOLDING INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

A. Directors, chief executives and Supervisors

As at 31 December 2014, the interests and short positions of Directors and the Supervisors of the Company (as if the requirements applicable to Directors under the SFO were also applicable to the Supervisors) in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were that required to be 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 the Directors and the Supervisors is taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) the Company

Name of Director/ Supervisor *(Note 1)*	**Capacity**	**Number and class of securities** *(Note 2)*	**Approximate percentage of shareholding in the relevant class of securities**	**Approximate percentage of shareholding in the issued share capital of the Company**
He Chaobing	Interest of a controlled corporation (Note 3)	418,000,000 Domestic Shares (L)	72.07%	50.36%
He Lianyi	Beneficial owner	6,400,000 Domestic Shares (L)	1.10%	0.77%
Wang Mingmei	Beneficial owner	3,800,000 Domestic Shares (L)	0.66%	0.46%

Notes:

1. All of the persons named above are Directors, except Ms. Wang Mingmei who is a Supervisor of the Company.
2. The letter "L" denotes a long position in the shares.
3. The interests in the domestic shares were held through the Dahe Investment Holdings Group, Co., Ltd. ("DIHG") which was 99% and 1% owned by He Chaobing and Ms. Yan Fen, spouse of Mr. He, respectively.

(ii) the associated corporations

Name of Director/ Supervisor	**Name of the associated corporation**	**Capacity**	**Number and class of securities** *(Note 1)*	**Approximate percentage of shareholding in the issued share capital of the associated corporation**
He Chaobing	DIHG	Beneficial owner	418,000,000 Shares (L)	99%
He Pengjun	Nanjing Ultralon Investment Management Co., Ltd.* (南京歐特龍投資管理有限公司)	Beneficial owner	500,000 Shares (L)	10%

Notes:

1. The letter "L" denotes a long position in the shares.

Save as disclosed above, none of the Directors or chief executives of the Company is aware of any other Directors or chief executives of the Company who has any interests or short positions in any Shares and underlying shares in, and debentures of, the Company or any associated corporation as at 31 December 2014.

Save and except He Chaobing, who is the director of DIHG, none of the Directors or proposed Directors has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

B. Substantial Shareholders

As at 31 December 2014, according to the records in the register which required to be kept under section 336 of the SFO, the following persons, other than Directors, chief executives or Supervisors of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Capacity	Number and class of securities *(Note 1)*	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the issued share capital of the Company/ member of the Group
DIHG	Beneficial owner	418,000,000 Domestic Shares (L)	72.07%	50.36%
Yan Fen	Interest of spouse *(Note 2)*	418,000,000 Domestic Shares (L)	72.07%	50.36%

Notes:

1. The letter "L" denotes a long position in the Shares.
2. Ms. Yan Fen is the wife of He Chaobing and is deemed to be interested in the shares in which Mr. He is interested under the provision of Divisions 2 and 3 of Part XV of the SFO.

Save as the disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which will have to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO as at 31 December 2014.

C. Other persons who are required to disclose their interests pursuant to divisions 2 and 3 of part XV of the SFO

As at 31 December 2014, save for the persons/entities disclosed in sub-section B above, the following entities/persons had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity	Number and class of securities *(Note 1)*	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the issued share capital of the Company
Yan Jian	Beneficial owner	71,800,000 Domestic Shares (L)	12.37%	8.66%
Nanjing State-owned Assets Investment Management Holdings (Group) Co. Ltd.* (南京市國有資產投資管理控股(集團)有限責任公司)	Beneficial owner	50,000,000 Domestic Shares (L)	8.62%	6.02%
Nanjing Pukou Ink Printing Factory* (南京市浦口區晨威油墨廠)	Beneficial owner	30,000,000 Domestic Shares (L)	5.17%	3.61%

Notes:

1. The letter "L" denotes the person's/entity's long position in the Shares.

2. The interests in the domestic shares will be held through Nanjing Hi-Tech Venture Capital Co., Ltd., the registered capital of which is 56.39% owned by Nanjing Zijin Investment Co., Ltd. (南京紫金投資集團有限責任公司).

Save as disclosed above, no other person/entity had an interest or a short position in the Shares and underlying Shares as recorded on 31 December 2014 in the register required to be kept under section 336 of the SFO.

COMPETING INTEREST

None of the Directors, the controlling shareholders of the Company and their respective associates as defined under the GEM Listing Rules had any interest in a business which competes or may compete, either directly or indirectly, with the businesses of the Group nor any conflicts of interest which has or may have with the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2014, and believes that the results is prepared according to relevant accounting standards, Rules Governing the Listing of Securities on the GEM and other statutory requirements with adequate disclosure.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had undertaken certain continuing connected transactions and had been in compliance with the disclosure requirements of Chapter 20 of the GEM Listing Rules.

The Board has approved and the independent non-executive directors has reviewed the continuing connected transactions of the Company in 2014 and confirmed that such continuing connected transactions were entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties;

(c) in accordance with the terms of the relevant agreements governing them; and

(d) in accordance with the relevant written agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Baker Tilly Hong Kong Limited ("Baker Tilly"), the Company's auditors, had been engaged to report on the Group's non-exempted continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews or Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Baker Tilly have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group. Baker Tilly has confirmed the matters under Rule 20.54 of the GEM Listing Rules and copy of the auditors' letter has been provided by the Company to the Stock Exchange.

A. Engineering Agreement with 南京大賀裝飾工程有限公司 (Nanjing Dahe Decoration Engineering Co., Ltd.) ("Nanjing Dahe Decoration")

Parties	:	(i) the Company (ii) Nanjing Dahe Decoration, a company which is owned as to 90% by Dahe Investment Holdings Group Co., Ltd. ("Dahe Investment") and 10% by Ms. Yan Fen, the spouse of Mr. He Chaobing.
Date	:	5 April 2012
Agreement	:	Pursuant to the Engineering Agreement, the Group has agreed to engage Nanjing Dahe Decoration to construct and install poles, frames or other outdoor advertisement fixtures for a term commencing from 1 July 2012 to 31 December 2014.
Pricing policy	:	The service fees payable by the Group shall be determined on a case by case basis and on such terms of agreements to be entered into between the Company and Nanjing Dahe Decoration, provided that the service fees charged by Nanjing Dahe Decoration is no more than the service fees the Company pays to other independent suppliers.
Payment term	:	The payment term for the fees to be paid by the Group to Nanjing Dahe Decoration in respect of the services provided by Nanjing Dahe Decoration will vary from case to case depending on the terms of the agreements to be entered into between the Group and Nanjing Dahe Decoration for each project. In general, however, the Group will pay 30% of the fees to Nanjing Dahe Decoration upon the signing of the agreement and the remaining sum will be paid to Nanjing Dahe Decoration immediately after the completion and acceptance of the services provided by Nanjing Dahe Decoration.
Annual cap and transaction amount in 2014	:	The annual cap for the year ended 31 December 2014 is RMB15,000,000 and the actual transaction amount under the Engineering Agreement in 2014 is approximately RMB14,960,000.

B. Production Service Agreement with Dahe Investment and Mr. He Chaobing

Parties	:	(i) the Company (ii) Dahe Investment (iii) Mr. He Chaobing
Date	:	5 April 2012
Agreement	:	Pursuant to the new Production Service Agreement, Dahe Investment and Mr. He Chaobing have agreed to engage and procure their respective associate companies to engage the Group to provide advertising production services for a term commencing from 1 July 2012 to 31 December 2014.
Pricing policy	:	The design and production fees and the advertising fees shall be determined on a case by case basis and on such terms of agreements to be entered into between the Company and Dahe Investment or the relevant party (being the associate companies of Dahe International or Mr. He Chaobing) provided that the service fees charged by the Group to Dahe Investment is no less favourable to the Group than the service fees the Group would charge other independent customers.
Payment term	:	The payment term for the fees to be paid by Dahe Investment or the relevant party (being the associate companies of Dahe Investment or Mr. He Chaobing) to the Group in respect of the advertising production services provided by the Group will vary from case to case depending on the terms of the agreements to be entered into between the Company and Dahe Investment or the relevant party for each project. In general, however, Dahe Investment or the relevant party will pay 30% of the fees to the Company upon the signing of the agreement and the remaining sum will be paid to the Company immediately after the completion and its acceptance of the services provided by the Company.
Annual cap and transaction amount in 2014	:	The annual cap for the year ended 31 December 2014 is RMB15,000,000 and the actual transaction amount under the Production Service Agreement in 2014 is approximately RMB3,976,420.

C. Graphic Production Agreement with 南京千禧安康國際傳媒廣告有限公司 (Nanjing Millennium Ankang International Media Co., Ltd.) ("Nanjing Millennium Ankang")

Parties	:	(i) the Company (ii) Nanjing Millennium Ankang, a company owned as to 51% and 49%* by the Company and Dahe Investment, respectively
Date	:	5 April 2012
Agreement	:	Pursuant to the Graphic Production Agreement, subject to the Independent Shareholders' approval at the Extraordinary General Meeting, Nanjing Millennium Ankang and its subsidiaries have agreed to engage and procure their respective associate companies to engage the Group to provide graphic production service for a term commencing from 1 July 2012 to 31 December 2014.
Pricing policy	:	The graphic production fees shall be determined on a case by case basis and on such terms of agreements to be entered into between the Company and Nanjing Millennium Ankang or the relevant party (being the subsidiaries of Nanjing Millennium Ankang or their respective associate companies) provided that the service fees charged by the Group to Nanjing Millennium Ankang is no less favourable to the Group than the service fees the Group would charge other independent customers.
Payment term	:	The payment terms in respect of the service fees to be paid by Nanjing Millennium Ankang or the relevant party (being the subsidiaries of Nanjing Millennium Ankang or their respective associate companies) to the Group for the graphic production service provided by the Group will vary from case to case depending on the terms of the agreements to be entered into between the Company and Nanjing Millennium Ankang or the relevant party for each project. In general, however, Nanjing Millennium Ankang or the relevant party will pay the service fee to the Company immediately after the completion and its acceptance of the graphic production services provided by the Company.
Annual cap and transaction amount in 2014	:	The annual cap for the year ended 31 December 2014 is RMB2,000,000 and no transaction under the Graphic Production Agreement for the period from 1 January 2014 to 29 August 2014 (the date of becoming a directly wholly-owned subsidiary of the Company).

The above transaction ceased to be a connected transaction after the Company acquired the remaining 49% equity interest of Nanjing Millennium Ankang.

* Has become a directly wholly-owned subsidiary of the Company during the year.

FINANCIAL ASSISTANCE

D. Financial assistance to Dahe Investment or its subsidiaries - Master Guarantee Agreement

The Company and Dahe Investment have entered into a Master Guarantee Agreement on 5 April 2012. Pursuant to the New Master Guarantee Agreement, the Company has agreed, on a non-commitment basis and subject to conditions of the Master Guarantee Agreement, to provide guarantee to any third party in respect of loan granted to Dahe Investment and its subsidiaries for a revolving amount not exceeding RMB80,000,000 for each of the three financial years ending 31 December 2014. In other words, the maximum liability of the Group throughout each of the financial years ending 31 December 2012, 2013 and 2014 under the Master Guarantee Agreement will not be more than RMB80,000,000. In case Dahe Investment and/or its subsidiaries fail to repay any loan, which will be guaranteed by the Company, the Company will repay such loan out of its internal resources.

Further, under the terms of the Master Guarantee Agreement, if the Company decides to provide guarantee for Dahe Investment or its subsidiaries, the respective guarantee shall be subject to, inter alia, the following conditions:

(i) Dahe Investment shall provide counter-indemnity, which shall be to the satisfaction of the Company, to the Company; and

(ii) the directors of Dahe Investment shall provide personal guarantee, which shall be to the satisfaction of the Company, to the Company.

Pursuant to the Master Guarantee Agreement, even though the said conditions have been complied with, the Company still has the absolute discretion to determine not to provide guarantee to Dahe Investment or its subsidiaries. The Company does not have any obligation to compensate and/or indemnify any person, including Dahe Investment or its subsidiaries. In return, if the Company decides to provide guarantee for Dahe Investment or its subsidiaries, the Company will receive 4% of the guaranteed amount as the fee for the issue of guarantee.

The maximum daily balance (together with interest/fee), i.e. the annual caps, for the transactions under the Master Guarantee Agreement are RMB83,200,000 for the three financial years ending 31 December 2014. The difference between the annual cap and the maximum amount guaranteed by the Group for the respective financial year represents the return, including the fee and interest (if any), received by the Group for the issue of guarantee. Throughout the year 2014, the transactions under the Master Guarantee Agreement have not exceeded the annual cap and the maximum balance together with interests/fee amounted to approximately RMB51,120,000.

E. Financial assistance to 南京安康科技有限公司 (Nanjing Ankang Technology Co., Ltd.) ("Nanjing Ankang") – Guarantee Agreement

On 5 April 2012, the Company and Nanjing Ankang (a company wholly-owned by Nanjing Millennium Ankang) have entered into a Guarantee Agreement with Nanjing Ankang, pursuant to which the Company agrees, on a non-commitment basis and subject to conditions of Guarantee Agreement, to provide guarantee to any third party in respect of loan granted to Nanjing Ankang for a revolving amount not exceeding RMB15,000,000 for each of the three financial years ending 31 December 2014. In other words, the maximum liability of the Group throughout each of the financial years ending 31 December 2012, 2013 and 2014 under the Guarantee Agreement will not be more than RMB15,000,000. In case Nanjing Ankang fails to repay any loans which will be guaranteed by the Company, the Company will repay such loans out of its internal resources.

Under the terms of the Guarantee Agreement, if the Company decides to provide guarantee for Nanjing Ankang, the respective guarantee shall be subject to, inter alia, the following conditions:

(i) the directors of Nanjing Ankang and/or Dahe Investment shall provide personal guarantee to the Company, which shall be of satisfaction to the Company.

Even though the said conditions have been complied with, the Company still has the absolute discretion to determine not to provide guarantee to Nanjing Ankang. The Company does not have any obligation to compensate and/or indemnify any person including Nanjing Ankang. If the Company decides to provide guarantee for Nanjing Ankang, the Company will receive 4% of the guaranteed amount as the fee for the issue of guarantee.

The maximum daily balances (together with interest/fee), i.e. the annual caps, for the transactions under the Guarantee Agreement are RMB17,000,000 for the three financial years ending 31 December 2014. The difference between the annual cap and the maximum amount guaranteed by the Group for the respective financial year represents the return, including the fee and interest (if any), received by the Group for the issue of guarantee. Throughout the full year of 2014, the transactions under the Guarantee Agreement have not exceeded the annual cap and the maximum balance together with interests/fee amounted to approximately RMB15,530,874.

The above transaction ceased to be a connected transaction after the Company acquired the remaining 49% equity interest of Nanjing Millennium Ankang.

F. Financial assistance to Nanjing Millennium Ankang – Financial Assistance Agreement

Furthermore, on 5 April 2012, the Company has entered into a Financial Assistance Agreement with Nanjing Millennium Ankang, pursuant to which the Company has agreed, on a non-commitment basis and subject to conditions of Financial Assistance Agreement, to provide financial assistance to Nanjing Millennium Ankang for an amount not exceeding RMB75,000,000 for each of the three financial years ending 31 December 2014. In other words, the maximum liability of the Group throughout each of the financial years ending 31 December 2012, 2013 and 2014 under the Financial Assistance Agreement will not be more than RMB75,000,000. The Company will satisfy its financial obligations under the Financial Assistance Agreement out of its internal resources.

Under the terms of the Financial Assistance Agreement, if the Company decides to provide any financial assistance to Nanjing Millennium Ankang, the respective financial assistance shall be subject to, inter alia, the following conditions:

(i) Nanjing Millennium Ankang and/or Dahe Investment, holder of the remaining 49% interest in Nanjing Millennium Ankang, shall provide counter-indemnity and/or indemnity, which shall be to the satisfaction of the Company, to the Company; and

(ii) the directors of Nanjing Millennium Ankang and/or Dahe Investment shall provide personal guarantee, which shall be to the satisfaction of the Company, to the Company.

Pursuant to the Financial Assistance Agreement, even though the said conditions have been complied with, the Company still has the absolute discretion to determine not to provide financial assistance to Nanjing Millennium Ankang. The Company does not have any obligation to compensate and/or indemnify any person including Nanjing Millennium Ankang. If the Company decides to provide any financial assistance to Nanjing Millennium Ankang, the Company will receive interest calculated with reference to the lending rate quoted by the People's Bank of China for providing such financial assistance.

The maximum daily balances (together with interest/fee), i.e. the annual caps, for the transactions under the Financial Assistance Agreement are RMB84,000,000 for the three financial years ending 31 December 2014. The difference between the annual cap and the maximum amount of the financial assistance offered by the Group for the respective financial year represents the return, including the interest, received by the Group for the offer of the financial assistance. Throughout the period from 1 January 2014 to 29 August 2014 (date of become a directly wholly-owned subsidiary of the Company), the transactions under the Financial Assistance Agreement have not exceeded the annual cap and the maximum balance together with interests/fee amounted to approximately RMB78,387,445.

The above transaction ceased to be connected transaction after the Company acquired the remaining 49% equity interest of Nanjing Millennium Ankang.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 31 to 40 of the annual report.

MATERIAL LITIGATION

Chongqing Dahe Basu Media Co., Ltd. ("Dahe Basu"), a former subsidiary of the Group, entered into liquidation on 15 May 2007 and a liquidation committee was established. In July 2014, the liquidation was completed. In the liquidation, the Company was distributed properties with a value of RMB162,600 and current assets of approximately RMB1,233,766. Other details of the liquidation were disclosed in the announcements of the Company dated 26 July 2007, 21 September 2007, 27 September 2007 and 25 February 2012. The Group had provided full impairment loss on the investment in Dahe Basu. Save as above, the Group was not involved in any material litigation or arbitration.

EVENT AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 42 to the consolidated financial statements.

AUDITOR

On 17 February 2015, BDO Limited resigned as auditors of the Company and Baker Tilly Hong Kong was appointed by the Board of Directors as the auditor of the Company to fill the casual vacancy so arising. The consolidated financial statements have been issued by Baker Tilly Hong Kong Limited, certified public accountants, whose term of office has expired and is eligible for reappointment.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

By Order of the Board

He Chaobing
Chairman

Nanjing, the PRC
26 March 2015

TO ALL SHAREHOLDERS,

In compliance with the relevant provisions and requirements of the Company Law and the Articles of Association, the Supervisory Committee of Dahe Media Co., Ltd. (the "Supervisory Committee") discharged its relevant duties in 2014. The Supervisors attended all Board meetings, reviewed the relevant financial statements of the Company, and gave opinions and proposals on the problems reflected in the Company's operation management.

The Supervisory Committee made supervisions on the discharge of corporate duties by the Directors and senior management in compliance with the laws and regulations of the State and the Company's Articles of Association. The Supervisory Committee considers that none of the Directors and managers have been discovered to be in violation of the laws, regulations of the State and the Company's Articles of Association in 2014.

The Supervisory Committee considers that resolutions of the Board meetings held in 2014 have better protected the interests of the Company, and the audit report issued by Baker Tilly Hong Kong Limited in Hong Kong truly, objectively and accurately reflected the Group's and the Company's financial situations.

The Supervisory Committee is satisfied with the various tasks accomplished and progress of the Company in 2014, and is confident about the prospects of the Company's future developments.

By Order of the Supervisory Committee

Wang Mingmei
Chairman

Nanjing, the PRC,
26 March 2015

DIRECTORS

Executive Directors

He Chaobing (賀超兵), male, aged 55, senior economist. He graduated from the School of Business of Nanjing University, with a degree of EMBA, and was the founder of the Dahe Group. He is currently an executive Director and Chairman of the Group, the leader of Outdoor Advertising Committee of China Advertising Association (中國廣告協會戶外廣告委員會主任), member of the China Advertising Professional Technical Qualification Appraisal Committee (中國廣告協會學術委員會), deputy head of China Advertising Association , deputy head of Jiangsu Advertising Association (江蘇省廣告協會), member of the Nanjing Municipality People's Political Consultative Conference (中國人民政治協商會議), deputy director member of financing and innovative committee of Jiangsu Province Internet Finance Committee (江蘇省互聯網金融協會), deputy head of Nanjing Industrial and Commercial Union (Trade Union) (南京市工商聯合會) (商會).

Lu Yin (魯音), female, aged 41, currently the Vice-Chairman of the Company. She graduated from Nanjing University of Science and Technology with a bachelor's degree in electronic engineering in 1997. Ms. Lu had worked in well-known real estate companies and Taiwan enterprises for 8 years and has extensive experience in management. She joined the Company in 2004 and was an assistant to the Chairman, a General Office Director and Head of the Public Affairs Department.

Non-executive Directors

Li Huafei (李華飛), male, aged 51, graduated from the Scientific Research Institute of the Ministry of Finance in 1991. He is currently a non-executive Director of Dahe Group, general manager of Nanjing Hi-Tech Venture Capital (南京市高新技術風險投資股份有限公司). Previously, he has been the deputy general manager of Nanjing Hi-Tech Venture Capital, and the general manager of Nanjing State-owned Assets Operation (Holding) Company (南京市國有資產經營(控股)公司).

He Lianyi (賀連意), male, aged 63, an experienced manager in the production of outdoor advertisements. He is currently a non-executive Director of Dahe Group, and the general manager of Nanjing Dahe Advertising Engineering Industrial Co., Ltd. Mr. He has been a non-executive director of the Group since December 2000.

He Pengjun (賀鵬君), male, aged 30, graduated from Business Faculty of the University of Hertfordshire and is currently pursuing his master's degree in marketing. He has been working for A.O. Smith as Management Trainee since 2008 and resigned in 2009. He has been a non-executive director of the Group since 20 May 2009.

Independent non-executive Directors

Xu Haoran (徐浩然), male, aged 46, graduated from the Communication University of China with a Bachelor of Arts degree in 1991, pursued further studies at Cambridge University in UK in 2002, obtained a PhD degree in Management from the Nanjing University of Aeronautics and Astronautics in 2007 and completed post-doctorate studies at the Faculty of Economics of Peking University in 2010. He is currently a member of the Jiangsu Committee of the Chinese People's Political Consultative Conference, a member of the Ningxia Committee of the Chinese People's Political Consultative Conference, Chairman of the Federation of Associations of National Brands, Vice President of China Marketing Association, Drafter of National Appraisal Standards for Corporate Brands, Adviser to Advertising Center of China Central Television, Director of the Expert Committee for CCTV China Brands of the Year, Chairman of the Branding Society of Jiangsu Province, a director of the Far East Holding Group. He is a veteran in media, an outstanding scholar as well as an excellent professional manager, social activist and charity worker, with approximately 20 years of working experience in corporate management, branding strategies and media relations. He was awarded a number of honors including the Top 10 Branding Strategy Experts of China, Top 10 Corporate News Spokespersons of China and the Top 10 Outstanding Persons of Corporate Culture Management in China. He was endorsed by the State Council as an "Expert entitled to government special grants" in 2011.

Ge Jianya (葛建亞), male, aged 61. He is currently an independent non-executive director of Dahe Group and a researcher of Nanjing Lugou International Company Limited. He has been the deputy general manager of Jiangsu Airlines Industry Group Advertising Company, chairman of Nanjing Lugou International Advertising Company Limited, executive member of Jiangsu Advertising Association, council member of Jiangsu Marketing Association, executive member of China Civil Airlines Advertising Committee, deputy supervisor of Jiangsu Lugou International Market Development Committee.

Ye Jianmei (葉建梅), female, aged 52, senior accountant, certified internal auditor awarded by the China Institute of Internal Auditors and a non-practising member of the Registered Accountant Association of Jiangsu Province (江蘇省註冊會計師協會). She is currently an independent non-executive director of Dahe Group and the deputy general manager of Nanjing Susun Group (南京蘇商集團), and is also a council member of Nanjing Senior Accountant Association, Conduct Supervisor of Nanjing State Tax Inspection Branch, and has been the head of the financial department of Nanjing Xinjiekou Mall Company Limited, the financial officer of Dongfang Shopping Mall Company Limited.

SUPERVISORS

Wang Mingmei (王明梅), female, aged 66, is a representative of the Supervisory Committe nominated by the Shareholders. Ms. Wang joined Dahe Group in 1994 and held various positions including the deputy managing director of Dahe Group. Ms. Wang is currently the director of the audit division of Dahe Group.

Liu Jianbo (劉建波), male, aged 43, is a representative of the Supervisory Committee nominated by the Shareholders. Mr. Liu obtained a bachelor's degree in engineering from Nanjing University of Aeronautics and Astronautics in 1990 and a master degree in business administration form Nanjing Linye University in 2000. He is currently a deputy manager of the investment banking division in Nanjing Hi-tech Venture Capital Co., Ltd (南京市高新技術風險投資股份有限公司).

Xue Guiyu (薛貴餘), male, aged 55, is a representative nominated by the employees of the Group on the Supervisory Committee. Mr. Xue has worked in a manufacturing company in Nanjing for over 10 years. Mr. Xue joined the Company in 2000.

SENIOR MANAGEMENT

Huang Hongxing (黃洪興), male, aged 38. He is currently the vice president of the Group. He graduated from the EMBA program at Fudan University with a master's degree. Since he joined Dahe in 1999, he has been the general manager of the Hangzhou branch and the Shanghai branch of Dahe Group, and the general manager of Dahe Yasi Advertising and the vice president for the original dissemination production group. He has extensive experience in customer base development and execution management.

COMPANY SECRETARY

Tsui Kei Pang (徐奇鵬), male, aged 54. He was appointed as the company secretary of the Company on 31 October 2014 and obtained a bachelor's degree in law (Honours) and a master's degree in law from The University of Hong Kong. He is a solicitor of Hong Kong, a solicitor of England and Wales (non-practising), a China Appointed Attesting Officer and a Civil Celebrant of Marriages. Mr. Tsui is currently a partner of Gallant Y.T. Ho & Co. and specialises in China business practices. He is also the vice chairman of the Greater China Legal Affairs Committee of The Law Society of Hong Kong, an honorary legal adviser of The Hong Kong Real Estate Association as well as a member of China Committee of Hong Kong General Chamber of Commerce.

(A) CORPORATE GOVERNANCE

The Board considers that the Company has complied with the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules save and except that as Wang Weijie, the former Chief Executive Officer, resigned on 10 December 2007, the post of Chief Executive Officer of the Company is temporarily held by the Chairman, Mr. He Chaobing. Once there are suitable candidates, the Company will consider the posts of Chairman of the Board and Chief Executive Officer be held by two separate individuals so as to comply with the requirements of the Corporate Governance.

(B) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 of the Listing Rules of the Hong Kong Stock Exchange as the code for its directors and supervisors. The Company has confirmed, after making specific enquiries to all its directors and supervisors, all directors and supervisors of the Company has complied with the relevant standards stipulated in the aforesaid code.

(C) BOARD OF DIRECTORS

(i) Composition of the Board

Executive directors:
HE Chaobing
LU Yin

Non-executive directors:
LI Huafei
HE Lianyi
HE Pengjun

Independent non-executive directors:
SUN Yingcai (resigned on 12 June 2014)
GE Jianya
YE Jianmei
XU Haoran (appointed on 12 June 2014)

(ii) Operation of the Board

The post of Chairman is held by Mr. He Chaobing. The Board is responsible for supervising the management of operations and affairs, approving strategic plans and reviewing financial performance.

The post of Chief Executive Officer of the Company is temporarily held by the Chairman, Mr. He Chaobing. Once there are suitable candidates, the Company will consider the posts of Chairman of the Board and Chief Executive Officer be held by two separate individuals so as to comply with the requirements of the corporate governance.

In respect of corporate governance functions, the Board of Directors has performed the following corporate governance duties during the year under review:

(a) review issuer's corporate governance policy and practice and make recommendations to the Board of Directors;

(b) review and monitor the training and continuous professional development of the Directors and senior management staff;

(c) review and monitor the issuer's policy and practice in complying with laws and regulatory requirements;

(d) review and monitor the code of practice and compliance manual (if any) for employees and Directors; and

(e) review the issuer's compliance with the Code and the disclosure in the Corporate Governance Report.

In addition, the Board of Directors has confirmed that it is accountable for the internal control system and is responsible to review the effectiveness of the system. During the year, the Board has identified, assessed and managed the material risk procedures through the Audit Committee, and carried out scheduled and non-scheduled audits and examinations on all aspects and all departments of the Group to strengthen internal control and ensure sound corporate development. The Board has reviewed the effectiveness of the Group's internal control system and completed the review on the Group's internal control system during the year. Based on the review of the Group's internal control system conducted by independent audit firms, the Group will further improve the internal management and control system of the Company.

(iii) Relationship of members of the Board

To the knowledge of the Company, other than He Lianyi and He Chaobing who are brothers to each other, and He Chaobing and He Pengjun who are father and son, there is no financial, business and family relationship among all members of the Board and Chairman and General Manager. They are free to make independent judgement.

(iv) The number of Board meetings held in the financial year

Apart from other Board meetings which are held in respect of significant and important affairs and for legal purpose, the Board holds one regular meeting approximately every three months and at least four meetings each year. The members of the Board will secure appropriate and sufficient information in a timely manner so that they can have knowledge of the Group's latest development, which will facilitate them in performing their duties.

(v) Independent non-executive directors

The Company has appointed three independent non-executive directors (complying with the requirements of Rule 5.05 and Rule 5.05A of the GEM Listing Rules).

The Company has received independent confirmations issued by all independent non-executive directors pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all independent non-executive directors are independent parties.

Non-executive directors and independent non-executive directors are appointed as directors for a term of three years starting from 1 January 2015.

(vi) Attendance of directors at Board meetings

The following table sets out the attendance of all directors at Board meetings during the year:

	Attendance at meetings in person/ number of meetings held for the year ended 31 December 2014
Executive Directors:	
HE Chaobing	9/9
LU Yin	9/9
Non-executive directors:	
LI Huafei	9/9
HE Lianyi	9/9
HE Pengjun	9/9
Independent non-executive directors:	
XU Haoran (appointed on 12 June 2014)	5/9
GE Jianya	9/9
YE Jianmei	9/9
SUN Yingcai (resigned on 12 June 2014)	4/9
Number of meetings held during the year	9

(vii) Attendance of directors at general meetings

The following table sets out the attendance of all directors at general meeting during the year:

	Attendance at meeting in person/ number of meeting held for the year ended 31 December 2014
Executive Directors:	
HE Chaobing	1/1
LU Yin	1/1
Non-executive directors:	
LI Huafei	1/1
HE Lianyi	1/1
HE Pengjun	1/1
Independent non-executive directors:	
XU Haoran (appointed on 12 June 2014)	0/1
GE Jianya	1/1
YE Jianmei	1/1
SUN Yingcai (resigned on 12 June 2014)	1/1
Number of meetings held during the year	1

(viii) Training for directors

According to the provisions of corporate governance, all directors should participate in continuous professional development, develop and update his knowledge and skills. The Directors have been provided with relevant guidance materials to ensure their understanding of the latest commercial, legal and regulatory changes relating to the business of the Company, and update their knowledge and skills in respect of the roles, duties and responsibilities of directors of listed companies.

During the period from 1 January 2014 to 31 December 2014, all Directors of the Company have sent their training records to the Company. All Directors, namely Mr. He Chaobing and Ms. Lu Yin, Mr. Xu Haoran, Mr. Ge Jianya, Ms. Ye Jianmei and Mr. Sun Yingcai, and Mr. Li Huafei, Mr. He Lianyi and Mr. He Pengjun, have all participated in continuous professional development, mainly through reading certain materials relating to directors' duties.

(D) BOARD COMMITTEES

The Board has established various board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee, to supervise the Company's affairs within specific areas and assist the Board in performing its duties.

(i) Audit Committee

Members

The Company has worked out the terms of reference of the Audit Committee pursuant to the requirements of the Stock Exchange. The Audit Committee comprises all three independent non-executive directors. On 31 December 2014, the members of the Audit Committee were: Xu Haoran, Ge Jianya and Ye Jianmei. Ye Jianmei is the chairman of the Audit Committee.

As at 31 December 2014, the following table sets out the attendance of the members of the Audit Committee at meetings of the Audit Committee during the year:-

	Attendance at meetings in person/ number of meetings held for the year ended 31 December 2014
YE Jianmei *(Chairman)*	4/4
GE Jianya	4/4
XU Haoran (appointed on 12 June 2014)	2/4
SUN Yingcai (resigned on 12 June 2014)	2/4
Number of meetings held during the year	4

Roles and Duties

The Audit Committee is mainly responsible for overseeing the Company's internal audit system and its implementation; reviewing the Company's financial information and its disclosure; reviewing the Company's internal control system; auditing major connected transactions; and communication, supervision and verification of the Company's internal and external audit.

Working Report

For the year ended 31 December 2014, the Audit Committee held a total of four meetings with focus on reviewing and discussing: (1) matters related to audit and financial reporting; (2) appointing external auditors; (3) work with external auditors to establish an internal control system; and review the Company's annual, half-yearly and quarterly financial statements. Having evaluating the integrity, accuracy and fairness of the Company's financial statements, all members unanimously believe that the financial statements have disclosed sufficient information and accurately reflected the Company's financial position. The Audit Committee also considered the proposal for the change of external auditors. All members of the Audit Committee can access the auditor and all senior staff of the Group without any limitations.

(ii) Remuneration Committee

Members

The Company has established the Remuneration Committee whose duties are the same as that contained in Code B.1.3 of Appendix 15 of the GEM Listing Rules of the Hong Kong Stock Exchange. The Remuneration Committee comprises three independent directors. On 31 December 2014, the members of the Remuneration Committee were: Ge Jianya, Ye Jianmei and Xu Haoran. Ge Jianya is the chairman of the Remuneration Committee.

As at 31 December 2014, the following table sets out the attendance of the members of the Remuneration Committee at meetings of the Remuneration Committee during the year:

	Attendance at meetings in person/ number of meetings held for the year ended 31 December 2014
GE Jianya *(Chairman)*	1/1
YE Jianmei	1/1
SUN Yingcai (resigned on 12 June 2014)	1/1
XU Haoran (appointed on 12 June 2014)	0/1
Number of meetings held during the relevant period	1

Roles, Duties and Work Summary

The Remuneration Committee is responsible for ensuring a formal and transparent procedure for formulating the remuneration policy and supervising the implementation of remuneration portfolio of executive directors and senior management. The Remuneration Committee is mainly responsible for formulating the Company's human resources development strategy and planning, approving the Company's human resources development plans, formulating the compensation standard for directors and senior management, examining and approving the Company's total wage adjustment plan, incentive plan, option plan and plan for amending the salary system. Factors which will be considered by the Remuneration Committee include salary level of comparable companies of same size in the same industry, personal details of all directors and senior management, time devoted and duties etc. The Remuneration Committee holds at least one meeting each year.

The Remuneration Committee held a meeting for the year ended 31 December 2014 to review the remuneration policies for directors.

(iii) Nomination Committee

The Company has worked out the terms of reference of the Nomination Committee pursuant to the requirements of the Stock Exchange. The Nomination Committee comprises three directors. On 31 December 2014, the members of the Nomination Committee were: He Chaobing, Ge Jianya and Ye Jianmei. He Chaobing is the chairman of the Nomination Committee.

As at 31 December 2014, the following table sets out the attendance of the members of the Nomination Committee at meeting of the Nomination Committee during the year:

	Attendance at meeting in person/ number of meeting held for the year ended 31 December 2014
HE Chaobing *(Chairman)*	1/1
GE Jianya	1/1
YE Jianmei	1/1
Number of meetings held during the relevant period	1

Nomination Committee includes the following functions:

(a) formulate nomination policy for consideration by the Board of Directors, and implement the nomination policy approved by the Board of Directors; and

(b) Without prejudice to the generality of the above provision:

(i) review the structure, number and constituent members (including their skills, knowledge, experience and service duration), and propose any changes to the Board of Directors in accordance with the corporate strategies of the Company;

(ii) identify competent individuals with appropriate qualifications as candidates for Directors, select and nominate the relevant individuals to act as Directors or advise the Board of Directors in this respect;

(iii) identify and nominate candidates capable to fill any vacancy of Directors for approval by the Board of Directors;

(iv) evaluate the independence of the independent non-executive Directors;

(v) review the time required for Directors to perform their duties on regular basis;

(vi) make recommendations to the Board of Directors on matters relating to the appointment or re-appointment of Directors and succession plans for Directors (in particular for the Chairman and the Chief Executive Officer);

(vii) carry out any action to procure the committee to perform the powers and duties authorized by the Board of Directors; and

(viii) comply with any requirements, instructions and regulations stipulated by the Board of Directors or set out in the Articles of Association of the Company or required by laws from time to time.

The Nomination Committee will have at least one meeting per year. According to the terms of reference, the Committee has an advisory role in the matters mentioned above and the Board of Directors reserves the right of final and conclusive decision.

(E) SUPERVISORS AND SUPERVISORY COMMITTEE

The Company's Supervisory Committee comprises three supervisors with two of them being representatives of shareholders and one of them being representative of the Company's staff. The number of members of the Supervisory Committee and its member composition comply with the requirements of laws and regulations.

The Supervisory Committee is accountable to all shareholders and focuses on overseeing finance in actual work. Meanwhile, it will also oversee the fulfillment of duties by the Company's directors and senior management and safeguard the Company's assets and legal interests of the Company and shareholders.

(F) THE RESPONSBILITY OF DIRECTORS IN PREPARING FINANCIAL REPORTS

Directors have confirmed their responsibility in preparing the Group's consolidated financial statements and guaranteed that consolidated financial statements have been prepared pursuant to laws and the applicable accounting principles. The Board also warrants to issue the financial statements of the Group in time.

Directors have confirmed, having made all reasonable enquiries, to their best knowledge, information and belief, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

(G) AUDITOR'S REMUNERATION

For the year ended 31 December 2014, the Group's external auditors provided the following services to the Group:

	2014 **RMB'000**
Audit services	1,180
Non-audit services	180

(H) SHAREHOLDERS' RIGHTS

How the Shareholders convene the Extraordinary General Meeting and present suggestions in the general meeting

According to the Article of Associations of the Company, Shareholder(s) holding more than 10% (inclusive) of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting, the Board shall convene an extraordinary general meeting within two months. Also, when the Company convenes an annual general meeting, shareholders holding more than 5% (inclusive) of the total voting shares of the Company shall have the right to submit new proposals in writing to the Company, but the said proposals shall be served to the Company 90 days prior to the date of convening of the annual general meeting. The Company shall place the proposals on the agenda for the said annual general meeting if the said proposals fall within the functions and powers of general meetings.

The letter of demanding an Extraordinary General Meeting mentioned above shall be sent to the principal office of the Company stating the Board of the Company as the addressee.

How to make enquiry to the Board

Shareholders may send letters to the principal office of the Company for any enquiries stating the Board of the Company as the addressee.

Significant Changes of the Articles of Association of the Company

During the year under review, the following amendments have been proposed to the articles of association:

Article 1.03 prior to the proposed amendments is as follows: "Domicile of the Company: 8 Hengfei Road, Nanjing Economic and Technological Development Zone, Postal code: 210004"

Article 1.03 after the proposed amendments is as follows: "Domicile of the Company: Jianye District No. 18 Jialingjiang East Street Nanjing, the PRC, Postal code: 210000"

Article 2.02 prior to the proposed amendments is as follows: "The business scope of the Company shall be as approved by the company registration authority. The business scope of the Company is: design, production, agency sale and release of outdoor advertisements; digital spray painting; electronic sign; system integration projects; network technology development and design, production and installation; manufacturing and sales of advertising lighting equipment; dealing in the Company's own products and export of technologies; dealing in raw and auxiliary materials, instruments, machinery, parts and fittings needed in the production and research activities of the Company and import of technologies (excluding commodities and technologies whose import and export are limited or prohibited by the State)."

Article 2.02 after the proposed amendments is as follows: "The business scope of the Company shall be as approved by the company registration authority. The business scope of the Company is: design, production, agency sale and release of outdoor advertisements; electronic display system integration engineering; development and design, production and installation of network technologies; software development and application; production and sales of advertising lighting equipments; dealing in the export businesses of the Company's own products and technologies; dealing in import and export businesses of raw and auxiliary materials, instruments and meters, mechanic equipments, parts and technologies required for production and scientific research of the Company (excluding goods and technologies which operated by companies qualified by the State and goods and technologies which prohibited to export and import by the State); design, production and installation of sign systems, marks and signs; furnishing and decoration project; engineering, design and construction of curtain walls; exhibition and display service; convention, show and event service; advertising video projection; design, production and installation of business aesthetics; design, production and installation of image identify of chain stores; design, production and construction of large outdoor advertising engineering; wholesales of ordinary arts."

The amendments are to reflect the Company's new premise and according to the prevailing market conditions and the needs for further development of the business of the Company.

The above amendments have been approved by shareholders on the extra ordinary general meeting held on 23 December 2014 and will be effective upon completion of the relevant approval procedures in the PRC.

(I) COMPANY SECRETARY

According to the requirement of Listing Rules, Mr. Tsui Kei Pang, the company secretary of the Company, has taken not less than 15 hours of relevant professional training during the financial year ended 31 December 2014.

(J) ABOUT BOARD DIVERSITY

The Stock Exchange issued certain revisions of the code and corporate governance report set out in Appendix 15 of the GEM Listing Rules with respect to board diversity, and such revisions were officially implemented on 1 September 2013. The amended code provides that the nomination committee should give adequate consideration to the relevant principles under sections about board composition as well as appointments, re-election and removal in carrying out its responsibilities. The board can achieve board diversity through consideration of a number of factors, including gender, age, cultural and educational background or professional experience. Terms of reference for the Nomination Committee have been amended in order to incorporate the monitoring of the implementation of board diversity policy into its responsibilities.

The Group has organised internal training and seminar to ensure a full and comprehensive understanding of the relevant requirements.

Additionally, the Group has formulated policies with regard to board diversity, the summary of which is set out as follows:

(1) election of members of the Board will be based on a set of diversified standards, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and service period; and

(2) the Nomination Committee will monitor the implementation of the diversity policies from time to time to ensure the effectiveness of the diversity policies.

(K) COMPLIANCE OFFICER

Mr. He Chaobing, the Compliance Officer appointed pursuant to Rule 5.19 of the GEM Listing Rules, is responsible for advising on and assisting the Board in implementing measures to ensure that the Company complies with the GEM Listing Rules and other relevant laws and regulations; and responding to all enquiries from the Stock Exchange without undue delay.

BAKER TILLY
HONG KONG

TO THE SHAREHOLDERS OF DAHE MEDIA CO., LTD.
大賀傳媒股份有限公司
(A joint stock company established in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Dahe Media Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 43 to 122, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, 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 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 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 state of affairs of the Company and of the Group as at 31 December 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 26 March 2015

Lo Wing See
Practising certificate number P04607

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

(Expressed in Renminbi)

	Note	2014 *RMB'000*	2013 *RMB'000*
Revenue	6	**422,060**	428,954
Cost of sales	10	**(250,402)**	(271,417)
Gross profit		**171,658**	157,537
Other revenue and other gains, net	8	**7,956**	12,235
Selling and distribution expenses		**(37,789)**	(40,283)
Administrative expenses		**(83,559)**	(83,671)
Share of results of a joint venture		**(20)**	222
Share of results of an associate		**304**	—
Finance costs	9	**(20,349)**	(21,127)
Profit before tax	10	**38,201**	24,913
Income tax expense	11	**(21,741)**	(11,269)
Profit and total comprehensive income for the year		**16,460**	13,644
Attributable to:			
– Owners of the Company		**13,396**	6,163
– Non-controlling interests		**3,064**	7,481
		16,460	13,644
Earnings per share			
Basic and diluted (RMB)	12	**0.016**	0.007

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2014

(Expressed in Renminbi)

	Note	**2014**	2013
		RMB'000	*RMB'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	15	**41,168**	38,241
Property, plant and equipment	16	**122,385**	145,619
Prepaid land lease payments	17	**2,060**	2,117
Goodwill	18	**15,679**	15,679
Other intangible assets	19	**1,646**	1,875
Interests in a joint venture	21	**1,449**	1,469
Interests in an associate	22	**4,389**	—
Deferred tax assets	11(c)	**—**	4,980
Available-for-sale financial assets	31	**12,552**	52
Total non-current assets		**201,328**	210,032
Current assets			
Inventories	23	**50,532**	24,297
Trade and note receivables	24	**241,740**	236,582
Other receivables, deposits and prepayments	25	**65,639**	72,536
Deposit paid to a fellow subsidiary	34(d)	**—**	32,898
Amount due from a former subsidiary	31	**—**	892
Amount due from holding company	34(c)	**6,862**	8,548
Amounts due from fellow subsidiaries	34(d)	**24,954**	6,458
Amounts due from related companies	34(e)	**88**	173
Bank balances and cash and pledged bank deposits	26	**106,495**	198,559
Total current assets		**496,310**	580,943
Total assets		**697,638**	790,975
Current liabilities			
Trade payables	27	**45,807**	51,997
Other payables, deposits received and accruals	27	**5,460**	9,912
Deferred advertising income		**17,144**	25,776
Amounts due to related companies	34(e)	**433**	153
Amounts due to fellow subsidiaries	34(d)	**1,109**	3,865
Interest-bearing bank borrowings, unsecured	28	**297,500**	312,940
Income tax payables		**13,613**	8,866
Other tax payables		**2,033**	7,673
Total current liabilities		**383,099**	421,182

At 31 December 2014

(Expressed in Renminbi)

	Note	2014 *RMB'000*	2013 *RMB'000*
Net current assets		**113,211**	159,761
Total assets less current liabilities		**314,539**	369,793
Non-current liabilities			
Deferred tax liabilities	11(c)	**4,777**	1,334
NET ASSETS		**309,762**	368,459
CAPITAL AND RESERVES			
Share capital	29	**83,000**	83,000
Reserves		**223,958**	258,851
Equity attributable to owners of the Company		**306,958**	341,851
Non-controlling interests		**2,804**	26,608
TOTAL EQUITY		**309,762**	368,459

On behalf of the board

He Chaobing
Director

Lu Yin
Director

The accompanying notes form part of the consolidated financial statements.

At 31 December 2014

(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	15	**41,168**	38,241
Property, plant and equipment	16	**68,342**	65,762
Prepaid land lease payments	17	**2,060**	2,117
Other intangible assets	19	**800**	905
Investments in subsidiaries	20	**102,216**	47,574
Investment in a joint venture	21	**1,700**	1,700
Deferred tax assets	11(c)	**—**	4,980
Total non-current assets		**216,286**	161,279
Current assets			
Inventories	23	**49,174**	22,299
Trade and note receivables	24	**128,863**	115,341
Other receivables, deposits and prepayments	25	**47,374**	40,782
Deposits paid to a fellow subsidiary	34(d)	**—**	32,898
Amount due from holding company	34(c)	**6,550**	6,005
Amounts due from fellow subsidiaries	34(d)	**24,954**	6,142
Amounts due from subsidiaries	20	**102,311**	108,969
Amount due from a former subsidiary	31	**—**	132
Amounts due from related companies	34(e)	**—**	152
Bank balances and cash and pledged bank deposits	26	**99,978**	185,035
Total current assets		**459,204**	517,755
Total assets		**675,490**	679,034
Current liabilities			
Trade payables	27	**33,080**	26,216
Other payables, deposits received and accruals	27	**3,363**	5,862
Deferred advertising income		**15,159**	14,654
Amounts due to subsidiaries	20	**2,667**	1,700
Amounts due to related companies	34(e)	**318**	153
Amounts due to fellow subsidiaries	34(d)	**1,109**	1,131
Interest-bearing bank borrowings, unsecured	28	**277,500**	295,000
Income tax payables		**6,131**	3,085
Other tax payables		**994**	5,089
Total current liabilities		**340,321**	352,890

At 31 December 2014

(Expressed in Renminbi)

	Note	2014 RMB'000	2013 RMB'000
Net current assets		**118,883**	164,865
Total assets less current liabilities		**335,169**	326,144
Non-current liabilities			
Deferred tax liabilities	11(c)	**4,777**	1,334
NET ASSETS		**330,392**	324,810
CAPITAL AND RESERVES			
Share capital	29	**83,000**	83,000
Reserves	30	**247,392**	241,810
TOTAL EQUITY		**330,392**	324,810

On behalf of the board

He Chaobing
Director

Lu Yin
Director

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

(Expressed in Renminbi)

	Share capital RMB'000 (Note 29)	Share premium and capital reserve* RMB'000 (Note 30(i))	Statutory surplus reserve* RMB'000 (Note 30(ii))	Other reserve* RMB'000	Retained profits* RMB'000	Equity attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2013	83,000	97,384	28,199	(844)	127,949	335,688	19,277	354,965
Profit and total comprehensive income for the year	–	–	–	–	6,163	6,163	7,481	13,644
Contribution from non-controlling interests of a subsidiary	–	–	–	–	–	–	660	660
Appropriations to statutory surplus reserve	–	–	610	–	(610)	–	–	–
Dividend paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	(810)	(810)
At 31 December 2013	83,000	97,384	28,809	(844)	133,502	341,851	26,608	368,459
Profit and total comprehensive income for the year	–	–	–	–	13,396	13,396	3,064	16,460
Acquisition of additional interests in a subsidiary (Note 32)	–	–	–	(48,289)	–	(48,289)	(15,461)	(63,750)
Disposal of a subsidiary (Note 33)	–	(132)	(2,872)	844	2,160	–	(11,407)	(11,407)
Appropriations to statutory surplus reserve	–	–	2,148	–	(2,148)	–	–	–
At 31 December 2014	83,000	97,252	28,085	(48,289)	146,910	306,958	2,804	309,762

* These reserve accounts comprise the consolidated reserves of approximately RMB223,958,000 (2013: approximately RMB258,851,000) in the consolidated statement of financial position.

The accompanying notes form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

(Expressed in Renminbi)

	2014 *RMB'000*	2013 *RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**38,201**	24,913
Adjustments for:		
Interest income	**(1,409)**	(1,058)
Interest expenses	**19,662**	20,235
Depreciation of property, plant and equipment	**26,442**	26,326
Fair value gain on investment properties	**(2,927)**	(5,014)
Gain on disposal of a subsidiary	**(956)**	—
Gain on disposal of available-for-sale investments	**(504)**	—
Amortisation of prepaid land lease payments	**56**	57
Amortisation of other intangible assets	**229**	234
Loss on disposals of property, plant and equipment	**4,352**	475
Impairment of trade and note receivables	**45,420**	35,084
Impairment of other receivables, deposits and prepayments (net of reversal of impairment losses)	**1,766**	1,275
Write-off of inventories	**—**	879
Share of results of a joint venture	**20**	(222)
Share of results of an associate	**(304)**	—
Operating cash flows before changes in working capital	**130,048**	103,184
Increase in inventories	**(26,235)**	(16,894)
Increase in trade and note receivables	**(64,702)**	(59,613)
Increase in other receivables, deposits and prepayments	**(1,691)**	(9,417)
Decrease in amounts due from related companies	**85**	16,830
Decrease/(increase) in amount due from holding company	**1,686**	(2,785)
Decrease in amount due from a former subsidiary	**892**	—
Increase in amount due from a fellow subsidiaries	**(558)**	(6,458)
Decrease in amount due from a joint venture	**—**	94
Increase in amounts due to related companies	**280**	38
(Decrease) /increase in amounts due to fellow subsidiaries	**(2,756)**	2,657
Decrease in trade payables	**(5,344)**	(5,064)
Increase in other payables, deposits received and accruals	**5,992**	4,162
Decrease in deferred advertising income	**(8,632)**	(3,976)
(Decrease) /increase in other tax payables	**(5,431)**	2,221
Cash generated from operations	**23,634**	24,979
Interest paid	**(19,662)**	(20,235)
Corporate income tax paid	**(6,705)**	(12,863)
Net cash used in operating activities	**(2,733)**	(8,119)

For the year ended 31 December 2014

(Expressed in Renminbi)

	2014 RMB'000	2013 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(5,624)**	(11,956)
Proceeds from disposal of property, plant and equipment	**1,083**	1,562
Increase/(decrease) in pledged bank deposits	**40,000**	(40,000)
Interest received	**1,409**	1,058
Increase in deposit paid to a fellow subsidiary	**—**	(921)
Acquisition of available-for-sale financial assets	**(12,500)**	—
Acquisition of an associate	**(4,085)**	—
Disposal of an available-for-sale financial assets	**504**	—
Disposal of a subsidiary	**9,072**	—
Net cash generated from/(used in) investing activities	**29,859**	(50,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings	**284,500**	322,020
Repayments of bank borrowings	**(299,940)**	(229,080)
Contribution from non-controlling interests	**—**	660
Dividends paid to non-controlling interests	**—**	(810)
Acquisition of additional interests in a subsidiary	**(63,750)**	—
Net cash (used in)/generated from financing activities	**(79,190)**	92,790
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(52,064)**	34,414
Cash and cash equivalents at beginning of year	**148,559**	114,145
CASH AND CASH EQUIVALENTS AT END OF YEAR	**96,495**	148,559
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash and pledged bank deposits	**106,495**	198,559
Less: Pledged bank deposits	**(10,000)**	(50,000)
Cash and cash equivalents as stated in the consolidated statement of cash flows	**96,495**	148,559

The accompanying notes form part of the consolidated financial statements.

1. CORPORATE INFORMATION

Dahe Media Co., Ltd. (the "Company") is a joint stock company established in the People's Republic of China (the "PRC") with limited liability and its H shares were listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2003. The address of its registered office and principal place of business are changed from No.8 Hengfei Road, Economic and Technology Development Zone, Nanjing, the PRC to No.18 Jialingjiang East Sreet, Jianye District, Nanjing, the PRC on 23 December 2014.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the design, printing and production of outdoor advertising products, the dissemination of outdoor advertisement by leasing outdoor advertising spaces in the PRC and trading of artwork. Principal activities of the subsidiaries are set out in Note 20 to the consolidated financial statements.

In the opinion of the directors of the Company, the holding company and the ultimate holding company of the Company is Dahe Investment Holdings Group, Co., Ltd. (大賀投資控股集團有限公司), which is limited liability company established in the PRC.

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

In the current year, the Group has applied the following amendments to HKFRSs and a new Interpretation that are issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) 21	Levies

The adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

The new and revised HKFRSs noted below are relevant to the Group but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

The Group is in the process of making an assessment of what the impact of these amendment and new standards would be in the period of initial application, but not yet in a position to state whether these amendments and new standards would have a significant impact on the Group's results of operations and financial position.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These consolidated financial statements are presented Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(b) Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are stated at cost less any impairment losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments in associate and joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

The results of associates and joint ventures are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in associates and joint ventures are treated as non-current assets and are stated at cost less any impairment losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss and other comprehensive income in the period in which it arises (only if there are revalued assets in the consolidated financial statements), unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group 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); and

(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).

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 and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost (or valuation) less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Outdoor advertising displays	
– Highway boards	20 years
– Enkon boards	10 - 12 years
Buildings	40 years
Leasehold improvements	Over the remaining term of the lease
Production equipment	8 to 14 years
Furniture, fixtures and equipment	5 to 10 years
Motor vehicles	6 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss and other comprehensive income in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss and other comprehensive income in the year of the retirement or disposal.

(i) Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the consolidated statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

(j) Intangible assets - advertising rights

Advertising rights represent fees paid to secure exclusive rights to sell advertising spaces on certain specified assets or at certain specified locations for a specific period of time. Advertising rights acquired outright by the Group which the Group has the right of transfer are capitalised as intangible assets. Other contracts obtained by the Group are accounted for as operating leases of advertising rights.

Capitalised advertising rights are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is charged on straight-line method over the agreed period of use of the advertising rights, from the date of the commercial use of the advertising rights, with the effect of any changes in estimate being accounted for on a prospective basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the consolidated statement of profit or loss and other comprehensive income in finance costs for loans and in other expenses for receivables.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Investments and other financial assets (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated statement of profit or loss and other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(m) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated statement of profit or loss and other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the consolidated statement of profit or loss and other comprehensive income, is removed from other comprehensive income and recognised in the consolidated statement of profit or loss and other comprehensive income.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of profit or loss and other comprehensive income – is removed from other comprehensive income and recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses on equity instruments classified as available for sale are not reversed through the consolidated statement of profit or loss and other comprehensive income. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, deposits received and accruals, amounts due to related companies and fellow subsidiaries, other tax payables and interest-bearing bank borrowings, unsecured.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

(o) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(r) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

(s) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(u) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(v) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) Revenue from the dissemination of outdoor advertising displays and media advertisements is recognised over the term of the relevant contract and to the extent of services rendered.

(b) Revenue from production of printed posters, terminal and signages and sale of electronic media products and lamps are recognised when products are delivered to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

(c) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(d) rental income, on a time proportion basis over the lease terms;

(e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and

(f) dividend income, when the shareholders' right to receive payment has been established.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Employee benefits

Short term benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Pension scheme

The employees of the Group which operates in PRC are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

(y) Foreign currencies

These consolidated financial statements are presented in Renminbi ("RMB"), which is the Group's functional and presentation currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(ii) Impairment of available-for-sale financial assets

For available-for-sale financial assets, a significant or prolonged decline in fair value below cost is considered to be an objective evidence of impairment. Significant judgement is required when determining whether a decline in fair value has been significant or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also considers other factors, such as industry and sector performance and financial information regarding the investee.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(a) Judgements (continued)

(iii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(b) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2014 was RMB15,679,000 (2013: RMB15,679,000). Further details are given in Note 18 to the consolidated financial statements.

(ii) Impairment of trade and other receivables

The policy for impairment of trade and other receivables of the Group is based on the evaluation of collectability and the aged analysis of the receivables and on management's judgement at each end of the reporting period whether there is any objective evidence that the receivables are impaired. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer/debtor. If the financial conditions of customers/debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payment, additional impairment may be required.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Estimation uncertainty (continued)

(iii) Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at their fair value. The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties.

(iv) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating units exceeds it recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(v) Impairment of interest in subsidiaries

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

(vi) Useful lives of property, plant and equipment

The management of the Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovation. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Estimation uncertainty (continued)

(vii) Income taxes

Significant management judgments on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are made accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

6. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services provided to customers, after any returns, allowance and discounts during the year.

An analysis of revenue is as follows:

	2014	2013
	RMB'000	*RMB'000*
Income from media dissemination	**247,716**	257,623
Income from media production	**50,757**	58,883
Income from terminal dissemination	**121,372**	107,792
Trading of artwork	**2,215**	4,656
	422,060	428,954

7. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- Media dissemination
- Media production
- Terminal dissemination
- Trading of artwork

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax of each segment is measured consistently with the Group's profit before tax excluding other revenue and other gains, net, selling and distribution expenses, administrative expenses, finance costs, share of results of a joint venture and an associates.

The Group's senior executive management monitors assets and liabilities on a consolidated basis and not by reportable segment. Accordingly, no additional information on assets and liabilities is presented.

(a) Segment revenue and results

Year ended 31 December 2014

	Media dissemination *RMB'000*	Media production *RMB'000*	Terminal dissemination *RMB'000*	Trading of artwork *RMB'000*	Total *RMB'000*
Revenue from external customers	**247,716**	**50,757**	**121,372**	**2,215**	**422,060**
Reportable segment results	**129,806**	**6,932**	**34,663**	**257**	**171,658**
Other revenue and other gains, net					**7,956**
Selling and distribution expenses					**(37,789)**
Administrative expenses					**(83,559)**
Share of results of a joint venture					**(20)**
Share of results of an associate					**304**
Finance costs					**(20,349)**
Profit before tax					**38,201**

7. SEGMENTAL INFORMATION (continued)

(a) Segment revenue and results (continued)

Year ended 31 December 2013

	Media dissemination *RMB'000*	Media production *RMB'000*	Terminal dissemination *RMB'000*	Trading of artwork *RMB'000*	Total *RMB'000*
Revenue from external customers	257,623	58,883	107,792	4,656	428,954
Reportable segment results	114,103	10,158	32,012	1,264	157,537
Other revenue and other gains, net					12,235
Selling and distribution expenses					(40,283)
Administrative expenses					(83,671)
Share of results of a joint venture					222
Finance costs					(21,127)
Profit before tax					24,913

(b) Geographical information

All of the Group's operations and assets are located in the PRC, in which all of its revenue was derived.

(c) Information about major customers

The Group's customer base is diversified and there was no single customer with transactions over 10% of the Group's revenue for the year. In 2013, there was one customer with transactions over 10% of the Group's revenue, which contributed approximately RMB45,454,000 to media dissemination segment.

8. OTHER REVENUE AND OTHER GAINS, NET

	Note	2014 RMB'000	2013 RMB'000
Other revenue:			
Interest income		**1,409**	1,058
Government grants (Note)		**2,260**	3,076
Rental income	35(b)	**1,790**	1,420
Guarantee fee income		**1,300**	1,900
Sales of scraps		**326**	—
Others		**836**	242
		7,921	7,696
Other gains/(losses), net:			
Fair value gains of investment properties	15	**2,927**	5,014
Gain on disposal of available-for-sale financial assets		**504**	—
Gain on disposal of a subsidiary	33	**956**	—
Loss on disposal of property, plant and equipment		**(4,352)**	(475)
		35	4,539
		7,956	12,235

Note: The Group received various cash grants from the Nanjing Economy and Technology Development Zone Management Committee and Gaochun Technology Improvement Fund for the establishment of businesses in the Technology Development Zone of Nanjing and new product development.

9. FINANCE COSTS

	2014 RMB'000	2013 RMB'000
Interest expense on bank loans wholly repayable within five years	**16,957**	17,182
Interest expense on note payables	**2,705**	3,053
Bank charges	**687**	892
	20,349	21,127

10. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Note	**2014** *RMB'000*	2013 *RMB'000*
Cost of inventories sold		**132,492**	124,285
Cost of services provided		**117,910**	147,132
Cost of sales (Note)		**250,402**	271,417
Auditors' remuneration		**1,180**	2,087
Depreciation of property, plant and equipment	16	**26,442**	26,326
Amortisation of prepaid land lease payments	17	**56**	57
Amortisation of other intangible assets	19	**229**	234
Interest income		**(1,409)**	(1,058)
Loss on disposal of property, plant and equipment		**4,352**	475
Gain on disposal of available-for-sale financial assets		**(504)**	—
Gain on disposal of a subsidiary	33	**(956)**	—
Fair value gain on investment properties	15	**2,927**	5,014
Minimum lease payments under operating leases of land and building		**5,966**	6,382
Impairment of trade receivables	24	**45,420**	35,084
Impairment of other receivables, deposits and prepayments (net of reversal of impairment losses)	25	**1,766**	1,275
Employee benefit expenses (excluding directors' remuneration (Note 14(a))			
– Salaries, bonus and allowances		**35,395**	42,150
– Contribution to retirement benefit scheme		**6,906**	6,843
Research and development costs included in administrative expenses		**8,115**	4,621

Note: Cost of sales included approximately RMB27,059,000 (2013: approximately RMB28,024,000) relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above.

The consolidated profit attributable to owners of the Company includes profit of approximately RMB5,582,000 (2013: loss of approximately RMB640,000) which has been dealt with in the financial statements of the Company for the year.

11. INCOME TAX EXPENSE

Provision for the PRC Corporate Income Tax ("CIT") is based on the estimated taxable income for PRC taxation at the rate of taxation applicable for the years.

Under the CIT Law, the CIT rate is calculated at a rate of 25% (2013: 25%) on the Group's estimated assessable profits. Enterprises being qualified as a high new technology enterprise in the PRC are subject to an applicable national CIT rate of 15%. Accordingly, the Company is eligible for a preferential CIT rate of 15% for the year ended 31 December 2014 (2013: 15%). The subsidiaries of the Company are subject to standard CIT rate of 25% for the year ended 31 December 2014 (2013: 25%).

(a) Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	Note	**2014** ***RMB'000***	2013 *RMB'000*
Current tax:			
Current year		**13,318**	10,925
Over-provision in prior years		**—**	(408)
		13,318	10,517
Deferred tax:			
Origination and reversal of temporary differences	11(c)	**8,423**	752
Total income tax expense		**21,741**	11,269

11. INCOME TAX EXPENSE (continued)

(b) A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Group are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2014 **RMB'000**	2013 RMB'000
Profit before tax	**38,201**	24,913
Tax calculated at the statutory CIT rate of 25% (2013: 25%)	**9,550**	6,228
Tax effect of expenses not deductible for taxation purposes	**1,491**	3,094
Tax effect of non-taxable items	**(800)**	(1,401)
Tax effect of share of results of a joint venture	**5**	(55)
Tax effect of share of results of an associate	**(76)**	—
Tax effect of unused tax losses of subsidiaries not recognised	**27**	16
Tax effect on temporary difference not recognised	**14,300**	6,720
Reduction of income tax under preferential tax treatment	**(2,756)**	(2,925)
Over-provision of current tax prior years	**—**	(408)
Income tax expense	**21,741**	11,269

(c) Deferred tax assets/(liabilities)

The following is the analysis of the deferred tax balances for financial reporting purposes:
The Group and the Company

	2014 **RMB'000**	2013 RMB'000
Deferred tax assets	**—**	(4,980)
Deferred tax liabilities	**4,777**	1,334
	4,777	(3,646)

11. INCOME TAX EXPENSE (continued)

(c) Deferred tax (assets)/liabilities (continued)

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior years:

	Impairment losses of available-for-sale financial assets *RMB'000*	Fair value gain of investment properties *RMB'000*	Total *RMB'000*
At 1 January 2013	(4,980)	582	(4,398)
Charge to profit or loss (Note 11(a))	—	752	752
At 31 December 2013 and 1 January 2014	(4,980)	1,334	(3,646)
Charge to profit or loss (Note 11(a))	4,980	3,443	8,423
At 31 December 2014	—	4,777	4,777

(d) At 31 December 2014, the Company's subsidiaries have unused tax losses of approximately RMB1,530,000 (2013: approximately RMB1,422,000) and deductible temporary differences of approximately RMB158,232,000 (2013: approximately RMB111,088,000) available for offset against future profits which will expire within five years since the respective years in which the tax losses were incurred. No deferred tax asset has been recognised in respect of such losses and the deductible temporary differences due to the unpredictability of future profit streams and uncertainty in the utilisation of the benefits of the temporary differences respectively.

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB13,396,000 (2013: approximately RMB6,163,000) and the weighted average number of shares in issue of 830,000,000 (2013: 830,000,000).

The dilutive earnings per share are the same as the basic earnings per share for the years ended 31 December 2014 and 2013 as there were no dilutive potential ordinary shares outstanding during both years.

13. DIVIDENDS

No dividend has been declared or paid by the Company in respect of the years ended 31 December 2014 and 2013.

14. REMUNERATION OF DIRECTORS, SUPERVISORS AND EMPLOYEES

(a) Directors and supervisors

Details of remuneration paid or payable to the directors and supervisors of the Company were set out as follows:

	2014			
	Fees *RMB'000*	Salaries and allowances *RMB'000*	Contribution to retirement benefit scheme *RMB'000*	Total *RMB'000*
Executive directors				
He Chaobing	—	240	40	280
Lu Yin	—	62	22	84
Non-executive directors				
He Lianyi	36	—	—	36
He Pengjun	36	—	—	36
Li Huafei	36	—	—	36
Independent non-executive directors				
Ge Jianya	48	—	—	48
Sun Yingcai (Note (a))	28	—	—	28
Ye Jianmei	48	—	—	48
Xu Haoran (Note (b))	25	—	—	25
Supervisors				
Wang Mingmei	—	—	—	—
Liu Jianbo	12	—	—	12
Xue Guiyu	—	84	—	84
	269	386	62	717

Note:

(a) Resigned on 12 June 2014

(b) Appointed on 12 June 2014

14. REMUNERATION OF DIRECTORS, SUPERVISORS AND EMPLOYEES (continued)

(a) Directors and supervisors (continued)

	2013			
	Fees *RMB'000*	Salaries and allowances *RMB'000*	Contribution to retirement benefit scheme *RMB'000*	Total *RMB'000*
Executive directors				
He Chaobing	—	241	39	280
Lu Yin	—	115	21	136
Non-executive directors				
He Lianyi	36	—	—	36
He Pengjun	36	—	—	36
Li Huafei	36	—	—	36
Independent non-executive directors				
Ge Jianya	48	—	—	48
Sun Yingcai	48	—	—	48
Ye Jianmei	48	—	—	48
Supervisors				
Wang Mingmei	—	—	—	—
Liu Jianbo	10	—	—	10
Xue Guiyu	—	77	—	77
	262	433	60	755

For the years ended 31 December 2014 and 2013, there was no arrangement under which a director of the Company waived or agreed to waive any emoluments.

During the both years, no emoluments were paid by the Group to the directors of the Company as an inducement to join, or upon joining the Group, or as compensation for loss of office.

14. REMUNERATION OF DIRECTORS AND EMPLOYEES (continued)

(b) Five highest paid individuals

Details of the remuneration paid to the five highest paid individuals during the year included one director (2013: one director) whose remuneration is set out in note (a) above. Details of remuneration of the remaining four (2013: four) highest paid non-director employees whose remuneration were all below HK$1,000,000 for both years ended 31 December 2014 and 2013 and these are as follows:

	2014 ***RMB'000***	2013 *RMB'000*
Salaries and allowances	**795**	1,169
Bonus	**146**	276
Contribution retirement benefit scheme	**92**	94
	1,033	1,539

Emoluments of that highest paid individual fell within following band:

	2014 **Number of individuals**	2013 Number of individuals
Nil to HK$1,000,000	**4**	4

(c) Member of senior management

Emoluments paid or payable to members of senior management were within the following bands:

	2014 **Number of individual**	2013 Number of individual
Nil to HK$1,000,000	**1**	1

15. INVESTMENT PROPERTIES

	The Group and the Company	
	2014	2013
	RMB'000	*RMB'000*
At 1 January	**38,241**	33,227
Net gain from a fair value adjustment	**2,927**	5,014
At 31 December	**41,168**	38,241

The investment properties are situated in the PRC under medium term leases.

None of the investment properties are pledged as at 31 December 2014 and 2013.

The Group and the Company's investment properties consist of commercial buildings and industrial buildings and quarters in the PRC. The directors of the Company have determined that the investment properties consist of two classes of asset, i.e., commercial and industrial, based on the nature, characteristics and risks of each property. The investment properties were revalued at 31 December 2014 and 2013 by Jiang Su Tianren Assets Appraisal Office Limited (江蘇天仁資產評估事務所有限公司), an independent firm of professionally qualified valuers who hold recognised and relevant professional qualification and have recent experience in the location and category of the investment property being valued, at RMB41,168,000. The net revaluation gain of the Group and the Company of RMB2,927,000 are recognised in "other revenue and other gains, net" in the consolidated statement of profit or loss and other comprehensive income.

The Group's finance department, including finance manager, reviewed the valuation performed by the independent valuer for financial reporting purpose. At the end of each reporting period, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses properties valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

The investment properties are leased to third parties under operating leases, the details are included in Note 35(b) to the consolidated financial statements.

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group and the Company's investment properties:

	Fair value measurement as at 31 December 2014 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Commercial buildings	—	—	2,360	2,360
Industrial buildings and quarters	—	—	38,808	38,808
	—	—	41,168	41,168

	Fair value measurement as at 31 December 2013 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Commercial buildings	—	—	2,342	2,342
Industrial buildings and quarters	—	—	35,899	35,899
	—	—	38,241	38,241

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2013: Nil).

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial buildings in the PRC *RMB'000*	Industrial buildings and quarters in the PRC *RMB'000*	Total *RMB'000*
Carrying amount at 1 January 2013	2,252	30,975	33,227
Net gain from a fair value adjustment recognised in other gains and losses (Note 8)	90	4,924	5,014
Carrying amount at 31 December 2013 and 1 January 2014	2,342	35,899	38,241
Net gain from a fair value adjustment recognised in other gains and losses (Note 8)	18	2,909	2,927
	2,360	38,808	41,168

The valuation for commercial buildings in the PRC was determined using market comparison approach. Fair value was based on the prices for recent market transactions in similar properties and adjusted to reflect the conditions and locations of the Group's properties. The most significant input into this valuation approach is price per square meters and taking into account of time of transaction and location.

The valuation for industrial buildings and quarters in the PRC was determined using depreciated replacement cost approach. Fair value of the buildings and quarters is based on estimated new replacement cost of the buildings and other site works from which adjustments are then made to account for age, conditions, and functional obsolescence, while taking into account the site formation cost and those public utilities connection charges to the properties. These adjustments are based on unobservable inputs. Key inputs are estimated cost of construction per square meter and age adjustment on the cost of buildings.

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Description	Fair value at 31 December 2014 (RMB'000)	Valuation technique	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial buildings in the PRC	2,360	Market comparison approach	Price per square meters ("sq.m"), using market direct comparables and taking into account of time of transaction and location.	RMB 13,100/sq.m (2013: RMB 13,000/sq.m)	Higher the price per square meter will result in correspondingly higher fair value.
Industrial buildings and quarters in the PRC	38,808	Depreciated replacement cost approach	Estimated cost of construction per square meter ("sq.m"), taking into consideration everything which is necessary to complete the construction from a new green field site to provide buildings as they are, at the valuation date, fit for and capable of being occupied and used for the current use.	RMB 3,792/sq.m (2013: RMB 3,630/sq.m)	Higher the estimated cost of construction per square meter will result in correspondingly higher fair value
			Age adjustment on the cost of buildings, taking in to account of remaining useful life of buildings.	24% to 28% (2013: (20% to 22%)	Higher the rate of age adjustment on the cost of buildings will result in correspondingly lower fair value.

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

Details of the investment properties held as at 31 December 2014 and 2013 are as follows:

Location	Use	Tenure	Attributable interest to the Group
Building C, Floor 13, Shanxi Road, Nanjing	Commercial	Medium term lease	100%
No. 8 Hengfei Road, Nanjing Economic and Technological Development Zone, Nanjing	Industrial and quarters	Medium term lease	100%

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Outdoor advertising displays RMB'000	Buildings RMB'000	Leasehold improvements RMB'000	Production equipment RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost							
As at 1 January 2013	213,527	22,514	14,389	106,996	20,243	10,774	388,443
Additions	8,315	–	1,371	–	1,445	825	11,956
Disposals	(3,089)	(194)	–	(1,625)	(511)	(1,083)	(6,502)
As at 31 December 2013 and 1 January 2014	218,753	22,320	15,760	105,371	21,177	10,516	393,897
Additions	18,552	163	361	326	385	797	20,584
Disposals	(27,954)	–	–	(27,043)	(1,251)	(1,374)	(57,622)
Disposal of a subsidiary	(37,525)	(2,211)	–	–	(1,081)	(707)	(41,524)
As at 31 December 2014	**171,826**	**20,272**	**16,121**	**78,654**	**19,230**	**9,232**	**315,335**
Accumulated depreciation							
As at 1 January 2013	106,014	5,443	4,129	89,412	15,848	5,571	226,417
Charge for the year (Note 10)	19,108	523	500	3,735	1,037	1,423	26,326
Disposals	(2,061)	(18)	–	(1,016)	(470)	(900)	(4,465)
As at 31 December 2013 and 1 January 2014	123,061	5,948	4,629	92,131	16,415	6,094	248,278
Charge for the year (Note 10)	19,767	520	521	2,991	1,179	1,464	26,442
Disposals	(23,031)	–	–	(26,897)	(1,129)	(1,130)	(52,187)
Disposal of a subsidiary	(28,300)	(267)	–	–	(519)	(497)	(29,583)
As at 31 December 2014	**91,497**	**6,201**	**5,150**	**68,225**	**15,946**	**5,931**	**192,950**
Carrying amount							
As at 31 December 2014	**80,329**	**14,071**	**10,971**	**10,429**	**3,284**	**3,301**	**122,385**
As at 31 December 2013	95,692	16,372	11,131	13,240	4,762	4,422	145,619

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Outdoor advertising displays RMB'000	Buildings RMB'000	Leasehold improvements RMB'000	Production equipment RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost							
As at 1 January 2013	67,516	20,109	14,350	74,886	14,676	7,870	199,407
Additions	2,443	–	1,371	–	1,636	628	6,078
Disposals	(2,032)	–	–	(1,626)	(355)	(701)	(4,714)
As at 31 December 2013 and 1 January 2014	67,927	20,109	15,721	73,260	15,957	7,797	200,771
Additions	16,230	163	93	326	325	375	17,512
Disposals	(26,783)	–	–	(19,627)	(949)	(1,162)	(48,521)
As at 31 December 2014	**57,374**	**20,272**	**15,814**	**53,959**	**15,333**	**7,010**	**169,762**
Accumulated depreciation							
As at 1 January 2013	33,224	5,247	4,085	68,710	12,513	4,144	127,923
Charge for the year	5,916	477	500	1,858	662	1,091	10,504
Disposals	(1,520)	–	–	(1,016)	(326)	(556)	(3,418)
As at 31 December 2013 and 1 January 2014	37,620	5,724	4,585	69,552	12,849	4,679	135,009
Charge for the year	5,810	477	429	1,742	821	1,019	10,298
Disposals	(22,617)	–	–	(19,408)	(888)	(974)	(43,887)
As at 31 December 2014	**20,813**	**6,201**	**5,014**	**51,886**	**12,782**	**4,724**	**101,420**
Carrying amount							
As at 31 December 2014	**36,561**	**14,071**	**10,800**	**2,073**	**2,551**	**2,286**	**68,342**
As at 31 December 2013	30,307	14,385	11,136	3,708	3,108	3,118	65,762

(i) Outdoor advertising displays are leased to earn revenue (Notes 6 and 35(b)).

(ii) The Group and the Company's buildings are located in the PRC under medium term leases.

(iii) None of the buildings of the Group and the Company are pledged as at 31 December 2014 and 2013.

17. PREPAID LAND LEASE PAYMENTS

	The Group and the Company	
	2014	2013
	RMB'000	*RMB'000*
Carrying amount at 1 January	**2,173**	2,230
Amortisation for the year (Note 10)	**(56)**	(57)
Carrying amount at 31 December	**2,117**	2,173
Current portion included in other receivables, deposits and prepayments (Note 25)	**(57)**	(56)
Non-current portion	**2,060**	2,117

The prepaid land lease payments are held in the PRC under medium term leases.

None of the prepaid land lease payments are pledged as at 31 December 2014 and 2013.

18. GOODWILL

Goodwill acquired in business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. Goodwill as at 31 December 2014 and 2013 has derived from the acquisition of three subsidiaries, all of which are engaged in the business of dissemination of outdoor advertisements and were allocated as follows:

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Name of attributable subsidiaries		
Nanjing Millennium Ankang International Media Co., Ltd. (南京千禧安康國際傳媒廣告有限公司)	**12,871**	12,871
Beijing Dahe Shuanglong Advertising Co., Ltd. (北京大賀雙龍廣告有限公司)	**1,574**	1,574
Shanghai Dahe Yasi Advertising Co., Ltd. (上海大賀雅思廣告有限公司)	**1,234**	1,234
	15,679	15,679

18. GOODWILL (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated weighted average growth rate of 1% (2013: 1%), which does not exceed the long-term growth rate for the media business in PRC. The key assumptions for the valuein-use calculations are gross margins, growth rates and discount rates during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Gross margins and growth rates are based on industry growth forecasts.

Key assumptions used for value-in-use calculation are:

	2014	2013
	%	%
Gross margin	**20 to 55**	30 to 47
Growth rate within five years	**0 to 5**	0 to 5
Pre-tax discount rate	**10**	10 to 12

Gross margin is estimated by the directors of the Company based on the economic environment of the PRC advertising market over the main provinces of PRC such as Beijing, Nanjing and Shanghai.

The recoverable amounts of goodwill relating to the above CGUs determined by value-in-use calculations suggested that there was no impairment loss on goodwill as at 31 December 2014 and 2013.

The directors of the Company believe that any reasonable possible change in the key assumptions on which recoverable amounts is based would not cause the carrying amounts of goodwill to exceed the respective recoverable amounts of the CGUs.

19. OTHER INTANGIBLE ASSETS

	The Group *RMB'000*	The Company *RMB'000*
Advertising rights		
Cost		
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	4,540	2,040
Accumulated amortisation		
At 1 January 2013	2,431	1,027
Charge for the year (Note 10)	234	108
At 31 December 2013 and 1 January 2014	2,665	1,135
Charge for the year (Note 10)	229	105
At 31 December 2014	2,894	1,240
Carrying amount		
At 31 December 2014	**1,646**	**800**
At 31 December 2013	**1,875**	**905**

Advertising rights are measured initially at cost and amortised on straight-line method over their estimated useful lives of 20 years, less any impairment losses. Amortisation charge for the year is included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

20. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	The Company	
	2014 ***RMB'000***	2013 *RMB'000*
Unlisted shares, at cost	**106,715**	52,073
Less: impairment losses	**(4,499)**	(4,499)
	102,216	47,574
Amounts due from subsidiaries	**102,311**	108,969
Amounts due to subsidiaries	**(2,667)**	(1,700)

20. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES (continued)

Amounts due from/(to) subsidiaries are unsecured, interest-free except for Nanjing Millennium Ankang International Media Co., Ltd. are interest-bearing at the lending rate quoted by the People's Bank of China and repayable on demand.

Amounts due from subsidiaries included a dividend receivable of approximately RMB2,859,000 (2013: approximately RMB5,997,000) from subsidiaries.

Particulars of the Company's subsidiaries as at 31 December 2014 and 2013 are as follows:

Name of Company	Place of establishment/ operations	Registered capital	Equity interest attributable to the Company Direct		Indirect		Principal activities
		RMB'000	**2014**	2013	**2014**	2013	
Beijing Dahe Shuanglong Advertising Co., Ltd. (北京大賀雙龍廣告有限公司)	The PRC	2,500	**95.1%**	95.1%	**4.41%**	4.41%	Dissemination of outdoor advertisement
Nanjing Dahe Colour Printing Co., Ltd. (南京大賀彩色印刷有限公司)	The PRC	20,000	**90%**	90%	**–**	–	Design, printing and production of posters
Nanjing Dahe Media Training Centre (南京大賀傳媒培訓中心)	The PRC	100	**100%**	100%	**–**	–	Provision of training services
Jiangxi Dahe Media Co., Ltd. (江西大賀傳媒有限公司)	The PRC	2,000	**67%**	67%	**–**	–	Design, printing and production of posters
Nanjing Millennium Ankang International Media Co., Ltd. * (南京千禧安康國際傳媒廣告有限公司)	The PRC	1,000	**100%**	51%	**–**	–	Design, production, and dissemination of advertisement on and franchising of the "Ankang Advertising Board"

20. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES (continued)

Particulars of the Company's subsidiaries as at 31 December 2014 and 2013 are as follows: (continued)

Name of Company	Place of establishment/ operations	Registered capital	Equity interest attributable to the Company Direct		Indirect		Principal activities
		RMB'000	**2014**	2013	**2014**	2013	
Nanjing Ankang Technology Co., Ltd.* (南京安康科技有限公司)	The PRC	43,000	**–**	–	**100%**	51%	Design, production, and dissemination of advertisement on and franchising of the "Ankang Advertising Board"
Nanjing Ultralon Investment Management Co., Ltd. (南京歐特龍投資管理有限公司)	The PRC	5,000	**90%**	90%	**–**	–	Investment holding
Shanghai Dahe Yasi Advertising Co., Ltd. (上海大賀雅思廣告有限公司)	The PRC	500	**100%**	100%	**–**	–	Dissemination of outdoor advertisement
Sichuan Xintianjie Media Technology Development Co., Ltd. # (四川新天傑傳媒科技發展有限責任公司)	The PRC	20,000	**–**	55%	**–**	–	Dissemination of outdoor and media advertisement

The English translation of those companies name is for reference only. The official names of these companies are in Chinese.

* The Company acquired additional 49% equity interests in Nanjing Millennium Ankang International Media Co., Ltd. and its subsidiary, Nanjing Ankang Technology Co., Ltd., from the holding company during the year (Note 32).

\# The Company disposed of 55% equity interests in Sichuan Xintianjie Media Technology Development Co., Ltd. to an independent third party during the year (Note 33).

20. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES (continued)

In 2014, non-controlling interests of all subsidiaries that are not 100% owned by the Group are considered to be immaterial. In 2013, Nanjing Millennium Ankang International Media Co., Ltd. ("Nanjing Millennium Ankang"), a 51% owned subsidiary of the Company, has material non-controlling interests. Non-controlling interests of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the non-controlling interest of Nanjing Millennium Ankang before intra-group eliminations, is presented below:

	2014	2013
	RMB'000	*RMB'000*
Revenue	—	96,799
Profit and total comprehensive income for the year	—	16,494
Profit allocated to non-controlling interest	—	8,082
Dividends paid to non-controlling interest	—	—
Cash flows from operating activities	—	(4,810)
Cash flows from investing activities	—	(3,297)
Cash flows from financing activities	—	10,000
Net cash inflows	—	1,893
Current assets	—	75,797
Non-current assets	—	54,581
Current liabilities	—	(99,023)
Net assets	—	31,355
Accumulated non-controlling interests	—	15,364

21. INTERESTS IN A JOINT VENTURE

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Unlisted investment, at cost	**—**	—	**1,700**	1,700
Share of net assets	**1,449**	1,469	**—**	—
	1,449	1,469	**1,700**	1,700

The Group has a 34% (2013: 34%) investment in a joint venture, Jiangsu Sina Information Service Ltd.* ("Jiangsu Sina") (江蘇新浪互聯信息服務有限公司), a company established and operating in the PRC with limited liability. Jiangsu Sina is principally engaged in design, production, and dissemination of advertisement, which is in line with the Group's strategy to expand the media business.

The contractual arrangement provides the Group with only the rights to net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Jiangsu Sina. Under HKFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using equity method.

* The English translation of that company name is for reference only. The official name of this company is in Chinese.

Summarised financial information in relation to joint venture is presented below:

	2014	2013
	RMB'000	*RMB'000*
Current assets	**14,911**	13,804
Non-current assets	**1,943**	677
Current liabilities	**(12,591)**	(10,160)
	4,263	4,321
Revenue	**27,531**	19,292
(Loss)/profit and total comprehensive (expense)/income for the year	**(58)**	653

Reconciliation of the above summarised financial information to the carrying amount of the interests in the joint venture recognised in the consolidated financial statements:

	2014	2013
	RMB'000	*RMB'000*
Net assets of the joint venture	**4,263**	4,321
Proportion of the Group's ownership interest in a joint venture	**34%**	34%
Carrying amount of the Group's interests in a joint venture	**1,449**	1,469

22. INTERESTS IN AN ASSOCIATE

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Share of net assets	**4,389**	–

Particulars of an associate as at 31 December 2014 are as follows:

Name	Place of establishment/ operation	Paid-in capital *(RMB'000)*	Percentage of ownership interests Directly	Indirectly	Principal activities
Nanjing Kaixinyin Electronic Commerce Co., Ltd.* (南京開心印電子商務有限公司) (Note)	The PRC	16,340	–	25%	Technology services provider

Note: In 2014, the Group acquired 25% equity interests in an associate by capital injection of RMB4,085,000.

* The English translation of that company name is for reference only. The official name of this company is in Chinese.

Summarised financial information in relation to the associate is presented below:

	2014
	RMB'000
Current assets	**11,736**
Non-current assets	**6,333**
Current liabilities	**(511)**
	17,558
Revenue	**3,576**
Profit and total comprehensive income for the period	**958**

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2014
	RMB'000
Net assets of the associate	17,558
Proportion of the Group's ownership interests in an associate	25%
Carrying amount of the Group's interests in an associate	4,389

23. INVENTORIES

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Raw materials	**2,658**	3,643	**1,300**	1,684
Work in progress	**44**	39	**44**	—
Finished goods	**808**	1,432	**808**	1,432
Artworks	**47,022**	19,183	**47,022**	19,183
	50,532	24,297	**49,174**	22,299

24. TRADE AND NOTE RECEIVABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Trade receivables	**398,899**	351,140	**248,782**	200,174
Less: Impairment losses	**(157,159)**	(114,658)	**(119,919)**	(84,933)
	241,740	236,482	**128,863**	115,241
Note receivables	**—**	100	**—**	100
	241,740	236,582	**128,863**	115,341

(a) The Group generally grants credit terms of 120 days (2013: 120 days) to major customers and 90 days (2013: 90 days) to others trade customers. Ageing analysis of trade and note receivables, net of allowance, at the end of the reporting periods is as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Within 1 month	**30,265**	37,407	**16,002**	20,115
Between 2 to 3 months	**47,524**	40,677	**27,962**	19,385
Between 4 to 6 months	**48,564**	52,793	**28,040**	24,919
Between 7 to 12 months	**45,849**	59,464	**21,679**	25,958
Between 1 to 2 years	**68,672**	36,288	**34,627**	24,964
Between 2 to 3 years	**866**	9,953	**553**	—
	241,740	236,582	**128,863**	115,341

24. TRADE AND NOTE RECEIVABLES (continued)

(b) The Group has made full impairment for all receivables that are past due beyond 3 years based on historical experience which shows that these receivables are generally not recoverable. Allowance on trade receivables between two to three years and one to two years are made based on estimated irrecoverable amounts by reference to past default experience and objective evidence of impairment determined by the difference between the carrying amount and the present value of the estimated future cash flow discounted at the original effective interest rate. In determining the recoverability of trade receivables, the Group monitors any change in the credit quality of trade receivables since the credit was granted and up to the end of reporting period. The directors of the Company consider that the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

(c) The movements in provision for impairment losses of trade receivables are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
At 1 January	**114,658**	80,871	**84,933**	51,743
Write off	**(1,729)**	(1,297)	**(1,706)**	(1,112)
Impairment losses (Note 10)	**45,420**	35,084	**36,692**	34,302
Disposal of a subsidiary	**(1,190)**	–	**—**	–
At 31 December	**157,159**	114,658	**119,919**	84,933

The Group's and the Company's trade receivables of approximately RMB157,159,000 and RMB119,919,000 (2013: RMB114,658,000 and RMB84,933,000), respectively, were individually determined to be impaired. The individually impaired trade receivables related to customers that were in financial difficulties or had a prolonged delay in settlement, and management assessed that only a portion of the receivables is expected to be recovered. Consequently, accumulated allowances for doubtful debts of approximately RMB157,159,000 and RMB119,919,000 (2013: RMB114,658,000 and RMB84,933,000) are made for the Group and the Company, respectively, as at 31 December 2014. The Group and the Company do not hold any collateral over these balances.

(d) Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

24. TRADE AND NOTE RECEIVABLES (continued)

(e) Trade receivables that were past due but not impaired are as follows:

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**77,789**	77,984
Less than 3 months	**48,564**	52,793
Between 4 to 12 months	**45,849**	68,536
Between 1 to 2 years	**68,672**	29,704
Between 2 to 3 years	**866**	7,465
	241,740	236,482

Based on past experience, the directors of the Company believe that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Other receivables	**6,395**	7,589	**5,862**	5,283
Less: Impairment losses	**(1,244)**	(2,458)	**(996)**	(1,902)
	5,151	5,131	**4,866**	3,381
Deposits	**4,516**	25,596	**4,415**	16,219
Prepayments	**55,915**	41,753	**38,036**	21,126
Prepaid land lease payments (Note 17)	**57**	56	**57**	56
	65,639	72,536	**47,374**	40,782

Prepayments represent prepaid rental expenses in relation to the renting of places to build the outdoor advertising displays.

Deposits mainly are deposits paid in advance for the purchases of (i) artwork and (ii) paper involved in the media production segment.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The movements in provision for impairment losses of other receivables are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
At 1 January	**2,458**	1,187	**1,902**	934
Write off	**(305)**	(4)	**(262)**	—
Impairment losses/(net of reversal of impairment losses) (Note 10)	**1,766**	1,275	**(644)**	968
Disposals of a subsidiary	**(2,675)**	—	**—**	—
At 31 December	**1,244**	2,458	**996**	1,902

The Group made full impairment for other receivables that are past due beyond 3 years based on historical experience which shows that these receivables are generally not recoverable. In determining the recoverability of other receivables, the Group monitors any change in the credit quality of other receivables since the credit was granted and up to the end of reporting period. The directors of the Company considered that the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The carrying amounts of the remaining other receivables that were neither past due nor impaired relate to other debtors for whom there was no recent history of default.

As at 31 December 2014 and 2013, the Group and the Company did not have any prepayments expected to be utilised after one year.

26. BANK BALANCES AND CASH AND PLEDGED BANK DEPOSITS

As at 31 December 2014, bank deposit of RMB10,000,000 (2013: RMB50,000,000) included in bank balances and cash of the Group and the Company has been pledged to a bank as a security of note payables (Note 28).

27. TRADE PAYABLES AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Trade payables	**45,807**	51,997	**33,080**	26,216
Other payables and accruals	**5,090**	9,912	**3,313**	5,862
Deposits received	**370**	—	**50**	—
	5,460	9,912	**3,363**	5,862
	51,267	61,909	**36,443**	32,078

The trade and other payables are non-interest-bearing and are normally settled on 90 day terms.

Aging analysis of trade payables at the end of reporting period is as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Within 1 month	**17,336**	13,711	**11,129**	8,418
Between 2 to 3 months	**8,560**	12,496	**6,810**	2,982
Between 4 to 6 months	**5,711**	4,217	**3,953**	2,075
Between 7 to 12 months	**4,135**	5,186	**2,683**	1,362
Between 1 to 2 years	**2,653**	7,833	**1,463**	4,314
Over 2 years	**7,412**	8,554	**7,042**	7,065
	45,807	51,997	**33,080**	26,216

28. INTEREST-BEARING BANK BORROWINGS, UNSECURED

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Bank borrowings, unsecured	**277,500**	252,920	**257,500**	235,000
Note payables	**20,000**	60,020	**20,000**	60,000
	297,500	312,940	**277,500**	295,000

All bank borrowings and note payables as at 31 December 2014 and 2013 were repayable on demand or due within one year. Accordingly, all balance are classified as current liabilities as at 31 December 2014 and 2013.

All bank borrowings and note payables are denominated in RMB.

Included in the Group's bank borrowings, bank borrowings of RMB117,500,000 (2013: RMB200,000,000) were arranged at fixed interest rate, with weighted average effective interest rate of 6.78% (2013: 6.60%). The remaining bank borrowings of RMB160,000,000 (2013: RMB52,920,000) were arranged at floating interest rate, with weighted average effective interest rate of 6.57% (2013: 6.07%).

Included in the Company's bank borrowings, bank borrowings of RMB107,500,000 (2013: RMB185,000,000) were arranged at fixed interest rate, with weighted average effective interest rate of 6.79% (2013: 6.60%). The remaining bank borrowings of RMB150,000,000 (2013: RMB50,000,000) were arranged at floating interest rate, with weighted average effective interest rate of 6.54% (2013: 6.00%).

As at 31 December 2014, the Group's bank borrowings of RMB277,500,000 (2013: RMB252,920,000) and the Company's bank borrowings of RMB257,500,000 (2013: RMB235,000,000) are secured by (1) corporate guaranteed from the holding company, and (2) guaranteed by Mr. He Chaobing, a shareholder and director of the Company and his spouse (Note 34(f)).

Note payables outstanding as at 31 December 2014 were issued with terms of 6 months and are secured by charges over the Group's bank deposits of RMB10,000,000 (2013: RMB50,000,000) (Note 26).

29. SHARE CAPITAL

	Number of shares '000	Amount RMB'000
Registered, issued and fully paid:		
580,000,000 unlisted domestic shares of RMB0.10 each	580,000	58,000
250,000,000 H shares of RMB0.10 each	250,000	25,000
Total domestic shares and H shares of RMB0.10 each at 31 December 2013 and 2014	830,000	83,000

Domestic shares and H shares are both ordinary shares in the share capital of the Company. However, H shares may only be subscribed for by, and traded in Hong Kong dollars between legal or natural persons of Hong Kong, Macau, Taiwan or any country other than the PRC. Domestic shares, on the other hand, may only be subscribed for by, and traded between legal or natural persons of the PRC (other than Hong Kong, Macau and Taiwan) and must be subscribed for and traded in RMB. All dividends in respect of H shares are to be paid by the Company in Hong Kong dollar whereas all dividends in respect of domestic shares are to be paid by the Company in RMB. Other than the above, all domestic shares and H shares rank pari passu with each other in all respects and rank equally for all dividends or distributions declared, paid or made.

During the year ended 31 December 2014, the shareholders have granted the General Mandate subject to the limit of up to 20% of the aggregate nominal amount of each of the capital of the H Shares and/or Domestic Shares of the Company in issue as at the date of passing of the resolution by Shareholders at the annual general meeting held on 12 June 2014 (i.e. 116,000,000 Domestic Shares and 50,000,000 H Shares in number). The General Mandate will be valid for the period from the passing of the resolution until whichever is the earliest of:

(i) the conclusion of 2014 annual general meeting of the Company; or

(ii) the expiration of the 12-month period following the passing of the resolution (i.e. 12 June 2014); or

(iii) the revocation or variation of the resolution by an ordinary resolution of the shareholders of the Company in general meeting.

30. RESERVES

	Share premium and capital reserve *RMB'000* *(Note (i))*	Statutory surplus reserve *RMB'000* *(Note (ii))*	Retained profits *RMB'000*	Total *RMB'000*
The Company				
At 1 January 2013	97,252	22,623	122,575	242,450
Loss and total comprehensive expense for the year	—	—	(640)	(640)
Appropriations to statutory surplus reserve	—	529	(529)	—
At 31 December 2013 and 1 January 2014	97,252	23,152	121,406	241,810
Profit and total comprehensive income for the year	—	—	5,582	5,582
Appropriations to statutory surplus reserve	—	263	(263)	—
As at 31 December 2014	97,252	23,415	126,725	247,392

Notes:

(i) Share premium and capital reserve

The balance included (1) share premium of RMB95,745,000 (2013: RMB95,745,000) that represents the premium arising from the issue of shares at a price in excess of par value per share; and (2) revaluation gain of RMB1,507,000 (2013: RMB1,507,000) arose upon transfer of owner-occupied properties to investment properties in previous years.

(ii) Statutory surplus reserve

In accordance with the relevant PRC regulations and the articles of association of the Company and its subsidiaries, the Company and its subsidiaries shall appropriate 10% of their respective annual statutory net profits (after offsetting any prior years' losses) to the statutory surplus reserve account. When the balance of such reserve reaches 50% of the respective share capital of the Company and its subsidiaries, any further appropriations are optional. The statutory surplus reserve can be utilised to offset prior years' losses or to issue bonus shares or registered capital, where appropriate. However, such statutory surplus reserve must be maintained at a minimum of 25% of respective share capital or registered capital of the Company and its subsidiaries, where appropriate, after such issuance.

31. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND AMOUNT DUE FROM A FORMER SUBSIDIARY

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	RMB'000	***RMB'000***	RMB'000
Available-for-sale financial assets				
Unlisted equity investment, at cost				
Chongqing Dahe Basu Media Co., Ltd. ("Dahe Basu") (Note (i))	**—**	19,922	**—**	20,394
Hangzhou Ultralon Advertising Co., Ltd. ("Hangzhou Ultralon") (Note (ii))	**52**	52	**—**	–
Nanjing Dahe Kaixinyin Commercial Printing Co., Ltd. (南京大賀開心印商務印刷有限公司) ("Kaixinyin Printing") (Note (iii))	**200**	–	**—**	–
Investment in funds (Note (iv))	**12,300**	–	**—**	–
	12,552	19,974	**—**	20,394
Less: impairment loss	**—**	(19,922)	**—**	(20,394)
	12,552	52	**—**	–
Amount due from a former subsidiary				
Dahe Basu (Note (i))	**—**	892	**—**	132

31. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND AMOUNT DUE FROM A FORMER SUBSIDIARY (continued)

Notes:

(i) Dahe Basu, a former 60%-owned subsidiary of the Company up to 14 May 2007, applied liquidation to a PRC court as a result of the dispute between the Company and the 40% equity owner of Dahe Basu (the "Minority Owner") in the operations of Dahe Basu. Pursuant to a PRC court order dated 15 May 2007, a liquidation team (comprising representatives of the Company, non-controlling interest and a PRC liquidator) was appointed to report the results of liquidation of Dahe Basu to the PRC court and is authorised by the PRC court to, among others, retain all books and records of Dahe Basu, prepare its financial statements, and manage and realise the assets of Dahe Basu for liquidation purposes. Accordingly, the Group de-consolidated Dahe Basu since 1 January 2007, and accounted for the Group's and the Company's equity interest in Dahe Basu as available-for-sale financial asset and had recorded the amount due from Dahe Basu as amount due from a former subsidiary pursuant to the above non-consolidation of Dahe Basu.

In July 2014, the liquidation was completed. In the liquidation, the Company was distributed media assets with a value of approximately RMB163,000 and current assets of approximately RMB1,019,000, and the remaining current assets of approximately RMB278,000 of Dahe Basu after distributions had been made to its shareholders on pro rata basis after deducting the liquidation expenses. The amount due from Dahe Basu was settled in 2014. The Company has recognised a gain of approximately RMB504,000 to profit or loss.

(ii) Unlisted equity investments in Hangzhou Ultralon represents the remaining 9% equity interest measured at fair value as at the date of disposal after the completion of disposal of the 90% equity interest in Hangzhou Ultralon in 2010.

(iii) In 2014, Nanjing Dahe Colour Printing Co., Ltd. ("Dahe Printing"), a non-wholly owned subsidiary of the Company, entered into a capital injection agreement with Kaixinyin Printing. Pursuant to which, Dahe Printing has committed to inject a total of RMB2,122,500 to Kaixinyin Printing, representing 34.67% of the enlarged registered capital. As at 31 December 2014, the Company had contributed RMB200,000 to Kaixinyin Printing.

(iv) In 2014, Dahe Printing entered into investment artwork fund agreements (the "Fund") with Jiangsu V-stars Asset Management Co., Ltd. (江蘇紫星雲資產管理有限公司). Pursuant to which, Dahe Printing invested approximately RMB12,300,000 into the Fund for capital appreciation.

The above unlisted equity investments are measured at cost less impairment at the end of the reporting period because the directors of the Company are of the opinion that their fair values cannot be measured reliably.

32. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

On 30 May 2014, the Company entered into a sale and purchase agreement with Dahe Investment Holdings Group, Co., Ltd. ("Dahe Investment"), the holding company of the Company, pursuant to which, the Company acquired 49% equity interests in Nanjing Millennium Ankang International Media Co., Ltd. ("Nanjing Ankang") from Dahe Investment at a consideration of approximately RMB63,750,000 (the "Acquisition"). Upon completion of the Acquisition on 29 August 2014, the Company held 100% a equity interests in Nanjing Ankang and the movement of the capital reserve is as follows:

	2014
	RMB'000
Consideration paid to non-controlling interests	**63,750**
Carrying amount of non-controlling interests acquired	**(15,461)**
Excess of consideration paid recognised in other reserve	**48,289**

33. DISPOSAL OF A SUBSIDIARY

On 13 October 2014, the Company disposed of its 55% equity interests in Sichuan Xintianjie Media Technology Development Co. Ltd. ("Sichuan Xintianjie") to Sichuan Aidi Technology Co., Ltd., an independent third party for a consideration of approximately RMB11,187,000. The disposal was completed on 24 October 2014, the date on which the control of Sichuan Xintianjie was transferred to the acquirer. Net assets of the Sichuan Xintianjie at the date of disposal were as follows:

	2014
	RMB'000
Property, plant and equipment	**11,941**
Trade receivables	**14,124**
Other receivables, deposits and prepayments	**6,823**
Bank balances and cash	**2,115**
Trade payables	**(846)**
Other payables, deposits received and accruals	**(10,444)**
Income tax payables	**(1,866)**
Other tax payables	**(209)**
Non-controlling interests	**(11,407)**
	10,231
Gain on disposal of a subsidiary (Note 8)	**956**
Total consideration	**11,187**
Satisfied by:	
Cash	**11,187**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	RMB'000
Cash consideration received	11,187
Cash and bank balances disposed of	(2,115)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	9,072

34. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

During the year, for the purpose of this report, the directors are of the view that the following companies are related parties of the Group:

Name of related parties	Relationship
大賀投資控股集團有限公司 ("Dahe Investment")	Holding company of the Company
江蘇新浪互聯信息服務有限公司 ("Jiangsu Sina")	A joint venture of the Company
上海大喜標識有限公司	A related company of the Company
江蘇大賀會支付商務服務有限公司	A fellow subsidiary of the Company under Dahe Investment
南京威漢廣告傳播有限公司	A related company of the Company
Hangzhou Ultralon	A related company of the Company
南京大賀威力廣告有限公司	A related company of the Company
南京大賀裝飾工程有限公司 ("Dahe Decoration")	A fellow subsidiary of the Company under Dahe Investment
南京大賀廣告裝飾工程有限公司	A fellow subsidiary of the Company under Dahe Investment
南京會購傳媒有限公司	A fellow subsidiary of the Company under Dahe Investment
江蘇微三點零信息科技有限公司	A fellow subsidiary of the Company under Dahe Investment
南京會購拍賣有限公司	A fellow subsidiary of the Company under Dahe Investment
南京大賀開心印商務印刷有限公司	A related company of the Company

The English translation of those companies name is for reference only. The official names of these companies are in Chinese.

34. RELATED PARTY TRANSACTIONS (continued)

(a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	Notes	2014 *RMB'000*	2013 *RMB'000*
Holding company			
Guarantee fee received*	(i)	**1,300**	1,900
Acquisition of additional interests in a subsidiary (Note 32)	(vi)	**63,750**	—
Fellow subsidiaries			
Sales*	(ii)	**3,976**	7,056
Rental income received	(iii)	**240**	240
Construction of advertising displays paid*	(iv)	**14,960**	3,263
Related companies			
Sales*	(ii)	**—**	19
Purchase	(v)	**—**	1,634

* These transactions are continuing connected transactions, in respect of which the Company has complied with the requirements in accordance with Chapter 20 of the GEM Listing Rules.

Notes:

(i) Guarantee fee was received from the holding company in respect of the issuance of financial guarantee for the holding company's borrowing, which is based on 4% (2013: 4%) of the guaranteed amount.

(ii) Sales were made to fellow subsidiaries and related companies in respect of dissemination of outdoor advertisement and posters production services provided at market prices.

(iii) Rental income of investment properties was received from a fellow subsidiary in accordance with the rental agreement at an annual rental of RMB240,000 (2013: RMB240,000).

(iv) The Group entered into a master engineering and construction agreement with a fellow subsidiary whereby the Group has agreed to engage the fellow subsidiary to construct and install poles, frames or other outdoor advertisement fixtures for a period from 1 July 2012 to 31 December 2014. The service fees payable by the Group are mutually agreed between the Company and the fellow subsidiary, provided that the service fees charged by the fellow subsidiary are not less favourable than the amount that the fellow subsidiary would charge other independent customers.

(v) Purchases were made from related companies in respect of dissemination of outdoor advertisement and poster production services provided at market price.

(vi) The considerations were made according to the terms mutually agreed between the Company and the holding company. Details have been disclosed in the Company's circular dated 24 June 2014.

34. RELATED PARTY TRANSACTIONS (continued)

(b) The remuneration of directors and other members of key management during the year were as follows:

	2014 RMB'000	2013 RMB'000
Short term benefits	**1,669**	2,207

(c) Balance with holding company during the year are as follows:

	The Group 2014 RMB'000	The Group 2013 RMB'000	The Company 2014 RMB'000	The Company 2013 RMB'000
Amount due from holding company	**6,862**	8,548	**6,550**	6,005

Amount due from holding company is unsecured, interest free and repayable on demand.

(d) Balances with fellow subsidiaries during the year are as follows:

	Notes	The Group 2014 RMB'000	The Group 2013 RMB'000	The Company 2014 RMB'000	The Company 2013 RMB'000
Deposit paid	(i)	**—**	34,898	**—**	34,898
Less: impairment losses		**—**	(2,000)	**—**	(2,000)
		—	32,898	**—**	32,898
Amounts due from fellow subsidiaries	(ii)	**26,954**	6,458	**24,954**	6,142
Less: impairment losses		**(2,000)**	—	**—**	—
		24,954	6,458	**24,954**	6,142
Amounts due to fellow subsidiaries	(ii)	**(1,109)**	(3,865)	**(1,109)**	(1,131)
		23,845	35,491	**23,845**	37,909

(i) Deposit paid to a fellow subsidiary represents deposits paid to Nanjing Dahe Decoration Co., Ltd, for the construction of outdoor advertising displays.

(ii) Amounts due from/(to) fellow subsidiaries are unsecured, interest free and repayable on demand.

34. RELATED PARTY TRANSACTIONS (continued)

(e) Amounts due from/(to) related companies are unsecured, interest free and repayable on demand. The carrying amount of the amounts due from related companies represents the respective maximum amounts outstanding during 2014 and 2013.

(f) As at 31 December 2014, the Group's bank borrowings of RMB277,500,000 (2013: RMB252,920,000) and the Company's bank borrowings of RMB257,500,000 (2013: RMB235,000,000) were secured by (1) corporate guaranteed from the holding company, and (2) guaranteed by Mr. He Chaobing, a shareholder and director of the Company and his spouse (Note 28). The Group has not recognised any deferred expenses in respect of the guaranteed by Mr. He Chaobing and his spouse and corporate guarantee from the holding company as its fair value cannot be reliably measured and its transaction price is nil.

(g) As at 31 December 2014, bank borrowings of RMB5,000,000 of holding company was guaranteed by the Group and the Company (2013: RMB45,000,000).

35. OPERATING LEASE ARRANGEMENTS

(a) The Group as a lessee

	2014		2013	
	Land and buildings	**Outdoor advertising displays**	Land and buildings	Outdoor advertising displays
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Rental expenses under operating leases recognised as expense in the year (included in cost of services - Note 10)	**5,966**	**88,134**	6,382	106,511

At the end of reporting period, the Group had outstanding minimum commitments under non-cancellable operating leases, which would fall due as follows:

	2014		2013	
	Land and buildings	**Outdoor advertising displays**	Land and buildings	Outdoor advertising displays
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Within one year	**4,606**	**22,837**	3,923	34,749
In the second to fifth years inclusive	**5,670**	**33,470**	5,927	42,556
After five years	**1,000**	**22,253**	1,000	28,707
	11,276	**78,560**	10,850	106,012

35. OPERATING LEASE ARRANGEMENTS (continued)

(a) The Group as a lessee (continued)

Operating lease payments represent rentals payable by the Group on certain of its leased properties and annual fees payable on contracts in respect of the granting of advertising rights and related outdoor advertising displays rentals. The leases for properties are negotiated for terms from one to thirteen years (2013: one to thirteen years) at fixed rentals, and advertising right contracts and related advertising displays rentals are negotiated for terms from one to twenty years (2013: one to twenty years) at fixed rentals. None of the leases includes contingent rentals.

(b) The Group as a lessor

	2014		2013	
	Investment properties	**Outdoor advertising displays**	Investment properties	Outdoor advertising displays
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Rental income under operating leases (Notes 6 and 8)	**1,790**	**247,716**	1,420	257,623

At the end of reporting period, the Group had outstanding minimum lease receivables under non-cancellable operating lease receivables as follows:

	2014		2013	
	Investment properties	**Outdoor advertising displays**	Investment properties	Outdoor advertising displays
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Within one year	**1,550**	**40,060**	1,790	65,374
In the second to fifth years inclusive	**7,750**	**8,292**	6,200	10,730
After five years	**1,033**	**—**	4,198	7
	10,333	**48,352**	12,188	76,111

The minimum lease receivables on investment properties represented rental receivables by the Group on leasing of part of its investment properties to a fellow subsidiary as disclosed in Note 34(a) (iii) to the consolidated financial statements and annual fees receivable on contracts to lease outdoor advertising displays for dissemination of outdoor advertising displays and media advertisement. The lease for the investment properties was negotiated for a term of ten years (2013: ten years) at fixed rentals. Advertising right contracts are negotiated for terms from one to six years (2013: one to six years) at fixed rentals. None of these contacts include contingent rentals.

36. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in Note 35 above, the Group had the following capital commitments at the end of the reporting period:

	2014	2013
	RMB'000	*RMB'000*
Contracted but not provided for:		
Construction of outdoor advertising displays (Note)	—	24,492
Capital injection to available-for-sales financial assets (Note 31)	1,923	—
Purchases of property, plant and equipment	239	—
	2,162	24,492

Note: Construction of outdoor advertising displays will be undertaken by a fellow subsidiary, Nanjing Dahe Decoration Co., Ltd..

37. FINANCIAL GUARANTEE LIABILITIES

At 31 December 2014, the Group and the Company had outstanding guarantees of RMB5,000,000 (2013: RMB45,000,000) provided to the holding company for its bank borrowings (Note 34(g)). The Company also has outstanding guarantees of RMB10,000,000 (2013: RMB10,000,000) provided to a subsidiary of the Company for its bank loans as at 31 December 2014.

As at the end of reporting period, the directors do not consider it probable that a claim will be made against the Group and the Company under these guarantees. The maximum liability of the Group and the Company at the end of reporting period under these guarantees are the amount of the facilities drawn down by the holding company that are covered by these guarantees, being RMB5,000,000 (2013: RMB45,000,000).

The Group has recognised guarantee fee income in respect of the issuance of financial guarantee for the holding company (Note 34(a)(i)).

38. DEFINED CONTRIBUTION RETIREMENT BENEFIT SCHEME

The employees of the Group are members of a defined contribution retirement benefit scheme operated by a local Municipal Government of the PRC. The Group and the employees are each required to make contributions to the retirement benefit scheme at the rates based on certain percentages of the employees' basic salaries in accordance with the relevant regulations in the PRC, which range from 29% to 35% (2013: 24% to 37%) and are charged to profit or loss as incurred. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in future years.

39. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debts, which includes the interest-bearing bank borrowings, unsecured disclosed in Note 28 to the consolidated financial statements, bank balances and cash and pledged bank deposits in Note 26 to the consolidated financial statements and total equity.

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. During the year, the Group's strategy, was to maintain the net debt-to-adjusted capital ratio at the lower end of the range from 30% to 65% (2013: 25% to 35%). In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The gearing ratio at the end of reporting period was as follows:

	Note	**2014** ***RMB'000***	2013 *RMB'000*
Interest-bearing bank borrowings, unsecured	28	**297,500**	312,940
Bank balances and cash and pledged bank deposits	26	**(106,495)**	(198,559)
Net debt		**191,005**	114,381
Total equity		**309,762**	368,459
Net debt to equity ratio		**62%**	31%

40. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and note receivables, other receivables and the financial guarantees provided by the Group. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and note receivables and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade receivables. Normally, the Group does not obtain collateral from customers.

40. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The default risk of the industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has certain concentration of credit risk as 11% (2013: 21%) and 30% (2013: 41%) of the total trade and note receivables was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and note receivables and other receivables are set out in Notes 24 and 25 to the consolidated financial statements.

Maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. Except for the financial guarantees given by the Group and the Company as set out in Note 37, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of reporting period is disclosed in Note 37 to the consolidated financial statements.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of reporting period of non-derivative financial liabilities of the Group and the Company which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay:

The Group	**Carrying amount** *RMB'000*	**Total contractual undiscounted cash flow** *RMB'000*	**Within 1 year or on demand** *RMB'000*
2014			
Trade payables	45,807	45,807	45,807
Other payables, deposits received and accruals	5,460	5,460	5,460
Interest-bearing bank borrowings, unsecured	297,500	317,670	317,670
Due to related companies	433	433	433
Due to fellow subsidiaries	1,109	1,109	1,109
	350,309	370,479	370,479
Financial guarantees issued			
Maximum amount guaranteed	—	5,000	5,000

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

The Group	Carrying amount *RMB'000*	Total contractual undiscounted cash flow *RMB'000*	Within 1 year or on demand *RMB'000*
2013			
Trade payables	51,997	51,997	51,997
Other payables, deposits received and accruals	9,912	9,912	9,912
Interest-bearing bank borrowings, unsecured	312,940	319,198	319,198
Due to related companies	153	153	153
Due to fellow subsidiaries	3,865	3,865	3,865
	378,867	385,125	385,125
Financial guarantees issued			
Maximum amount guaranteed	—	45,000	45,000

The Company	**Carrying amount** ***RMB'000***	**Total contractual undiscounted cash flow** ***RMB'000***	**Within 1 year or on demand** ***RMB'000***
2014			
Trade payables	**33,080**	**33,080**	**33,080**
Other payables, deposits received and accruals	**3,363**	**3,363**	**3,363**
Interest-bearing bank borrowings, unsecured	**277,500**	**296,342**	**296,342**
Due to subsidiaries	**2,667**	**2,667**	**2,667**
Due to related companies	**318**	**318**	**318**
Due to fellow subsidiaries	**1,109**	**1,109**	**1,109**
	318,037	**336,879**	**336,879**
Financial guarantees issued			
Maximum amount guaranteed	**—**	**15,000**	**15,000**

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

The Company	Carrying amount *RMB'000*	Total contractual undiscounted cash flow *RMB'000*	Within 1 year or on demand *RMB'000*
2013			
Trade payables	26,216	26,216	26,216
Other payables, deposits received and accruals	5,862	5,862	5,862
Interest-bearing bank borrowings, unsecured	295,000	300,715	300,715
Due to subsidiaries	1,700	1,700	1,700
Due to related companies	153	153	153
Due to fellow subsidiaries	1,131	1,131	1,131
	330,062	335,777	335,777
Financial guarantees issued			
Maximum amount guaranteed	–	55,000	55,000

(c) Interest rate risk

The Group is exposed to interest rate risk due to changes in interest rates of interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly bank deposits, which are mostly short-term in nature whereas interest-bearing financial liabilities are primarily bank borrowings. As at 31 December 2014, the Group's fair value interest-rate risk mainly arises from bank borrowings as disclosed in Note 28 to the consolidated financial statements. Bank borrowings which were issued at fixed rates expose the Group to fair value interest-rate risk. The Group is also exposed to cash flow interest rate risk in relation to floating-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation on the rate determined by the People's Bank of China arising from the Group's RMB denominated bank borrowings.

The Group has not used any financial instruments to hedge potential fluctuations in interest rates. However, management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

40. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk (continued)

Sensitivity analysis

At 31 December 2014, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's after-tax profit for the year and retained profits by approximately RMB675,000 (2013: approximately RMB223,000).

The sensitivity analysis above has been determined based on the exposure to interest rates for bank borrowings at the end of reporting period arranged at floating market interest rate. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

(d) Currency risk

The Group mainly operates in the PRC with most of the transactions settled in RMB and does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Price risk

The Group is not exposed to any equity price risk or commodity price risk. The directors of the Company manage this exposure by forming a team to closely monitor the price fluctuation and will consider hedging the risk exposure should the need arise.

41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of financial assets and financial liabilities of the Group and the Company recognised at the end of reporting period may be categorised as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets:				
Loans and receivables (including bank balances and cash and pledged bank deposits)	**389,806**	481,939	**371,937**	441,376
Available-for-sale financial assets	**12,552**	52	**—**	—
	402,358	481,991	**371,937**	441,376
Financial liabilities:				
Financial liabilities measured at amortised cost	**352,342**	386,540	**319,031**	335,151

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate their fair values, except for the amounts due from subsidiaries which are unsecured, non-interest bearing and have no fixed repayment terms and available-for-sale financial assets which are stated at cost less impairment at the end of reporting period. Given these terms it is not meaningful to disclose their fair values.

42. EVENT AFTER THE REPORTING PERIOD

On 6 January 2015, Nanjing Ankang Technology Co., Ltd. ("Nanjing Ankang"), a subsidiary of the Company and Shanghai Huayin Financing Lease Co., Ltd. ("SHFL"), entered into the finance Lease agreement (the "Finance Lease Agreement") for certain outdoor advertising displays (the "Ankang Advertising Boards"). Pursuant to the Finance Lease Agreement, Nanjing Ankang agreed to transfer certain Ankang Advertising Boards to SHFL at the transfer amount of RMB40,000,000 and SHFL agreed to lease those Ankang Advertising Boards back to Nanjing Ankang for a fixed term of 36 months at an aggregate lease rent of RMB44,680,000.

As the transfer amount paid by SHFL pursuant to the Finance Lease Agreement was partially financed by the loans granted by China Merchants Bank Co., Ltd. (Shanghai Branch) ("CM Bank"), the Company entered into the corporate guarantee in favour of CM Bank on 6 January 2015 (the "Corporate Guarantee") to secure due performance of the payment obligations by SHFL to CM Bank. The maximum liability of the Company under the Corporate Guarantee is RMB20,000,000.

43. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to current year's presentation.

44. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2015.

The following is a summary of the consolidated results and of the assets and liabilities of the Group, prepared on the basis set out in Note 1 below:

RESULTS

	Year ended 31 December				
	2014	2013	2012	2011	2010
	RMB	RMB	RMB	RMB	RMB
	'000	*'000*	*'000*	*'000*	*'000*
Revenue	**422,060**	428,954	454,801	429,741	413,225
Cost of sales	**(250,402)**	(271,417)	(294,322)	(281,959)	(284,208)
Gross profit	**171,658**	157,537	160,479	147,782	129,017
Other revenue and other gains, net	**7,956**	12,235	3,748	2,580	6,576
Selling and distribution expenses	**(37,789)**	(40,283)	(39,012)	(40,560)	(38,168)
Administrative expenses	**(83,559)**	(83,671)	(77,460)	(61,808)	(54,337)
Share of results of a jointly venture	**(20)**	222	(321)	(132)	–
Share of results of an associate	**304**	–	–	–	–
Finance costs	**(20,349)**	(21,127)	(19,379)	(18,680)	(11,995)
Profit before tax	**38,201**	24,913	28,055	29,182	31,093
Income tax expense	**(21,741)**	(11,269)	(15,867)	(8,134)	(8,389)
Profit for the year	**16,460**	13,644	12,188	21,048	22,704
Attributable to:					
Owners of the Company	**13,396**	6,163	8,860	13,561	15,828
Non-controlling interests	**3,064**	7,481	3,328	7,487	6,876
	16,460	13,644	12,188	21,048	22,704

ASSETS AND LIABILITIES

	31 December				
	2014	2013	2012	2011	2010
	RMB	RMB	RMB	RMB	RMB
	'000	*'000*	*'000*	*'000*	*'000*
Non-current assets	**201,328**	210,032	253,527	260,622	262,698
Current assets	**496,310**	580,943	432,570	488,966	353,737
Current liabilities	**(383,099)**	(421,182)	(330,550)	(383,857)	(271,894)
Net current assets	**113,211**	159,761	102,020	105,109	81,843
Non-current liabilities	**(4,777)**	(1,334)	(582)	—	—
Net assets	**309,762**	368,459	354,965	365,731	344,541

Note:

1. The consolidated financial information as at 31 December 2012, 2011 and 2010 are extracted from the Company's published annual reports. The consolidated financial information of the Group as at 31 December 2014 and 2013 are as set out on pages 43 to 45 of the annual report.

ACKNOWLEDGEMENT

I would like to thank the Board, management and all members of our staff for their dedication and loyalty. I would also like to thank our Shareholders and business associates for their strong support to the Group.

On behalf of the Board of
DAHE MEDIA CO., LTD.
He Chaobing
Chairman

Nanjing, the PRC, 26 March 2015

As at the date of this announcement, the Board comprises Mr. He Chaobing and Ms. Lu Yin, being the executive directors, Mr. Xu Haoran, Ms. Ye Jianmei and Mr. Ge Jianya, being the independent non-executive directors, and Mr. Li Huafei, Mr. He Lianyi and Mr. He Pengjun being the non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The announcement will remain on the "Latest Company Announcements" page of the GEM website for at least seven days from its publication.