

INFORMATION IN RELATION TO THE MEDIA AND ADVERTISING SEGMENT OPERATED THROUGH CONTRACTUAL ARRANGEMENTS

The Company would like to provide the following information in relation to its media and advertising segment, which is operated through contractual arrangements.

The Group operate one of its business unit – 北京巨屏傳媒廣告有限公司 (Beijing Mega TV Media Advertisement Company Limited*, “Beijing Mega TV Media”), which is under the media and advertising segment, through the Loan Agreement, the Share Charge, the Irrevocable Share Transfer Agreement, the Shareholders Undertaking, the Director Undertaking, the Management Agreement and the Assignment (the “Control Agreement”).

Beijing Mega TV Media’s main businesses are provision of chain broadcasting advertising networks and media related services. Currently, Beijing Mega TV Media has operation in Beijing. Beijing Mega TV Media has a registered capital of RMB5,000,000 and it is owned as to 43% by劉忠南 (Liu Zhongnan*, “Mr. Liu”), 41% by王璐 (Wang Lu*, “Ms. Wang”), 10% by梁淑嫻 (Liang Shuxian*, “Ms. Liang”) and 6% by孫宇 (Sun Yu*, “Mr. Sun”). Its director is Ms. Yu.

透過合約安排經營之媒體及廣告分部之相關資料

本公司謹此提供以下有關以合約安排經營之媒體廣告業務分部之資料。

本集團藉貸款協議、股份押記、不可撤回股份轉讓協議、股東承諾、董事承諾、管理協議及轉讓（「管制協議」），營運旗下一項業務單位，北京巨屏傳媒廣告有限公司（「北京巨屏傳媒廣告」），該公司歸屬於媒體及廣告分部下。

北京巨屏傳媒之主要業務為提供巨屏電視頻道之連鎖廣播網絡及媒體相關服務。目前，北京巨屏傳媒乃於北京營運，其註冊資本為人民幣5,000,000元，並由劉忠南（「劉先生」）、王璐（「王女士」）、梁淑嫻（「梁女士」）及孫宇先生（「孫先生」）分別擁有43%、41%、10%及6%，于女士擔任董事。

SUMMARY OF MAJOR TERMS OF THE CONTROL AGREEMENT

(a) Loan Agreement

- | | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Lender | GMG Media |
| (ii) Borrowers: | Mr. Liu, Ms. Wang, Ms. Liang and Mr. Sun (collectively the "Borrowers") |
| (iii) Loan Amount: | RMB3,000,000 |
| (iv) Interest: | Interest free |
| (v) Term | The term of the Loan shall end on the date of the exercise of the exclusive right by GMG Media under the Irrevocable Share Transfer Agreement to acquire the equity interest in Beijing Mega TV Media. The amount of the Loan shall be used to set off against the consideration under the Irrevocable Share Transfer Agreement. |
| (vi) Security | The obligations of the Borrowers under the Loan Agreement are secured by the Share Charge. |

(b) Share Charge

- | | |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Chargors: | The Borrowers |
| (ii) Chargee: | GMG Media |
| (iii) Confirmor: | Beijing Mega TV Media |
| (iv) First priority charge: | The Borrowers created a first priority charge over their respective equity interests in Beijing Mega TV Media to (i) secure the obligations of the Borrowers under the Loan Agreement and (ii) secure and guarantee the obligations of Beijing Mega TV Media under the Management Agreement. |
| (v) Restrictive Covenants by the Chargors and Beijing Mega TV Media | During the term of the Share Charge, unless with the prior written consent of GMG Media, the Chargors and Beijing Mega TV Media shall not:
<ol style="list-style-type: none">sell, transfer, charge, pledge, lease out or dispose of any assets of Beijing Mega TV Media;create any indebtedness or guarantee;enter into any material contract involving a sum exceeding RMB50,000 (material contracts include any leasing agreement, purchase agreement of machinery and any agreement or document which has an impact on the development of Beijing Mega TV Media). |

管制協議之主要條款概述

(a) 貸款協議

- | | |
|-------------|-------------------------------------------------------------------------------|
| (i) 貸方: | GMG Media |
| (ii) 借方: | 劉先生、王女士、梁女士及孫先生 (統稱「借方」) |
| (iii) 貸款金額: | 人民幣3,000,000元 |
| (iv) 利息: | 免息 |
| (v) 年期 | 該貸款之年期須於GMG Media根據不可撤回股份轉讓協議行使獨家權利收購北京巨屏傳媒之權益當日完結。該貸款金額將會根據不可撤回股份轉讓協議用作抵銷代價。 |
| (vi) 抵押 | 借方於貸款協議項下之責任乃由股份押記抵押。 |

(b) 股份押記

- | | |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) 出質人: | 借方 |
| (ii) 質權人: | GMG Media |
| (iii) 確認人: | 北京巨屏傳媒 |
| (iv) 第一優先押記: | 借方已就彼等各自於北京巨屏傳媒之權益設立第一優先押記, 以作為(i)確保借方履行貸款協議項下責任之抵押; 以及(ii)確保北京巨屏傳媒履行管理協議項下責任之抵押及擔保。 |
| (v) 出質人及北京巨屏傳媒所作之限制性契諾 | 於股份押記期限內, 除非有GMG Media之事先書面同意, 出質人及北京巨屏傳媒不得:
<ol style="list-style-type: none">出售、轉讓、抵押、質押、出租或出售北京巨屏傳媒之任何資產;對外進行借款或作出擔保;訂立涉及金額超過人民幣50,000元之任何重大合約 (重大合約包括任何租賃合約、購買機械合約及對北京巨屏傳媒發展有影響之任何合約或文件)。 |

SUMMARY OF MAJOR TERMS OF THE CONTROL AGREEMENT (cont'd)

(c) Management Agreement

- | | | |
|-------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Services provided by GMG Media | GMG Media shall provide to Beijing Mega TV Media management consultancy services, including (i) identifying suitable candidates and experts with experience and providing training to the staff of Beijing Mega TV Media; (ii) providing strategic advices to Beijing Mega TV Media; (iii) formulating and assisting in the implementation of rules and internal control policy, marketing, human resources and operation strategies; (iv) assisting Beijing Mega TV Media to plan and organise public relations and marketing activities; (v) assisting Beijing Mega TV Media to review its operations; (vi) assisting Beijing Mega TV Media in its business operations; (vii) providing market information on advertising media, market research information and analysis; and (viii) providing business advices on the operation and investment project, and assisting and participating in management operations. |
| (ii) | Service fees | 100% of the actual net profit Beijing Mega TV Media |
| (iii) | Term | The initial term of the Management Agreement is a fixed term of ten years from 18 December 2009, being the date of the execution of the Management Agreement, to 27 December 2019. GMG Media has the sole discretion to renew the Management Agreement and each renewal is for a further ten years. Pursuant to the business licence of Beijing Mega TV Media, the operation period of Beijing Mega TV Media will end on 10 April 2028. |

管制協議之主要條款概述 (續)

(c) 管理協議

- | | | |
|-------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | GMG Media 所提供之服務 | GMG Media將會向北京巨屏傳媒提供管理顧問服務，包括：(i)物色豐富經驗的合適人選及專家，並向北京巨屏傳媒之僱員提供培訓；(ii)向北京巨屏傳媒提供策略意見；(iii)制訂及協助執行規則及內部監控政策、市場推廣、人力資源及經營策略；(iv)協助北京巨屏傳媒策劃及統籌公共關係及市場推廣活動；(v)協助北京巨屏傳媒檢討其營運；(vi)協助北京巨屏傳媒業務運作；(vii)提供廣告媒體之市場資料、市場研究資料及分析；及(viii)就營運及投資項目提供業務意見，以及協助及參與管理層營運。 |
| (ii) | 服務費 | 北京巨屏傳媒之全部實際純利 |
| (iii) | 期限 | 管理協議初始期限為固定期限，由二零零九年十二月十八日（訂立管理協議之日）起為期十年直至二零一九年十二月二十七日。GMG Media可全權決定將管理協議再續期十年。根據北京巨屏傳媒之營業執照，北京巨屏傳媒之經營期將於二零二八年四月十日終止。 |

SUMMARY OF MAJOR TERMS OF THE CONTROL AGREEMENT (cont'd)

(d) Irrevocable Share Transfer Agreement

- | | | |
|-------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Irrevocable and exclusive right of GMG Media to acquire Beijing Mega TV Media | The Borrowers granted an irrevocable and exclusive right to GMG Media to acquire the entire equity interests in Beijing Mega TV Media. |
| (ii) | Consideration | RMB3,000,000. The amount of the Loan shall be used to set off against the consideration. |
| (iii) | Term | There is no fixed term to the exercise of rights by GMG Media to acquire entire equity interests in Beijing Mega TV Media. Such rights shall remain valid until (i) it is not permitted under the law or (ii) GMG Media exercises the right to acquire the entire equity interests in Beijing Mega TV Media. |

(e) Director's Undertakings

- | | | |
|-----|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Undertakings by Ms. Yu as director of Beijing Mega TV Media and the Borrowers | <p>Ms. Yu, the executive director of Beijing Mega TV Media (effective from 23 August 2012), has undertaken to act according to the instructions of GMG Media upon the exercise of the powers of the executive director of Beijing Mega TV Media, including but not limited to, the convening of shareholders' meeting, implementing shareholders' resolutions, approving business plans and investment plans, formulating of annual budget, distribution of profits and making up of losses.</p> <p>Ms. Yu (as the director) and the Borrowers (as the confirmors) have further undertaken that upon the change of director(s) of Beijing Mega TV Media, they will procure the replacement director(s) to give a similar undertaking as aforesaid until the transfer of the entire equity interests in Beijing Mega TV Media to GMG Media and the fulfilment of all obligations under the Loan Agreement, the Management Agreement, the Share Charge and the Irrevocable Share Transfer Agreement.</p> <p>Mr. Liu resigned as a director of Beijing Mega TV Media effective on 23 August 2012.</p> |
|-----|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

管制協議之主要條款概述 (續)

(d) 不可撤回股份轉讓協議

- | | | |
|-------|------------------------------|-------------------------------------------------------------------------------------------|
| (i) | GMG Media 收購北京巨屏傳媒之不可撤回及獨家權利 | 借方已向GMG Media授予不可撤回及獨家權利以收購北京巨屏傳媒之全部權益。 |
| (ii) | 代價 | 人民幣3,000,000元。該貸款金額將用於抵銷該代價。 |
| (iii) | 年期 | GMG Media行使權利收購北京巨屏傳媒之全部權益並無固定年期。該等權利須一直有效，直至(i)法律不允許；或(ii) GMG Media行使權利收購北京巨屏傳媒之全部權益為止。 |

(e) 董事承諾

- | | | |
|-----|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | 于女士作為北京巨屏傳媒董事及借方所作之承諾 | <p>北京巨屏傳媒執行董事于女士(自二零一二年八月二十三日起生效)已承諾，在行使北京巨屏傳媒執行董事權利時，將按照GMG Media之指示行事，包括但不限於召開股東大會、執行股東決議案、批准業務計劃及投資計劃、擬定年度預算、分配利潤及彌補虧損。</p> <p>于女士(作為董事)及借方(作為確認人)進一步承諾，北京巨屏傳媒董事變動後，彼等將促使替任董事按照前述承諾作出類似承諾，直至將北京巨屏傳媒之全部股權轉讓予GMG Media及貸款協議、管理協議、股份押記及不可撤回股份轉讓協議項下之一切義務均獲滿足。</p> <p>劉先生辭任北京巨屏傳媒董事，自二零一二年八月二十三日起生效。</p> |
|-----|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

SUMMARY OF MAJOR TERMS OF THE CONTROL AGREEMENT (cont'd)

(f) Shareholders Undertakings

- (i) Undertakings by the Borrowers as shareholders of Beijing Mega TV Media
- The Borrowers as shareholders of Beijing Mega TV Media have undertaken that they will vote on any resolutions proposed at the shareholders' meetings of Beijing Mega TV Media in accordance with the instructions of GMG Media until the transfer of the entire equity interests in Beijing Mega TV Media to GMG Media and the fulfilment of all obligations under the Loan Agreement, the Management Agreement, the Share Charge and the Irrevocable Share Transfer Agreement.

(g) Assignment in relation to the Management Agreement

- Assignment by GMG Media to Beijing Choa Shun
- By the Assignment, GMG Media assigned all of its rights and obligations under the Management Agreement as referred to in the Share Charge to Beijing Choa Shun, wholly owned subsidiary of the Company.
- Increase in registered capital of Beijing Mega TV Media
- The parties confirmed and acknowledged that the registered capital of Beijing Mega TV Media has been increased to RMB5,000,000.

SIGNIFICANCE OF THE BUSINESSES OF BEIJING MEGA TV MEDIA TO THE GROUP

Through the Control Agreements, the Group may engage in indoor advertising business in the PRC through operating chain broadcasting networks of large screen television channels at the atriums of major shopping malls and department stores in the PRC. However, as the Group successfully anchored into trading of coking coal since the second half of 2013, the contributions of the business of Beijing Mega TV Media to the Group are getting less significant.

管制協議之主要條款概述 (續)

(f) 股東承諾

- (i) 借方作為北京巨屏傳媒股東
- 借方作為北京巨屏傳媒股東已承諾，彼等會就於北京巨屏傳媒股東大會提呈之任何決議案根據GMG Media之指示表決，直至北京巨屏傳媒之全部權益轉讓予GMG Media及貸款協議、管理協議、股份押記及不可撤回股份轉讓協議項下之一切義務均獲滿足。

(g) 有關管理協議之轉讓

- GMG Media 向北京潮順轉讓
- 根據該轉讓，GMG Media將股份押記所指其於管理協議項下之全部權利及義務轉讓予本公司之全資附屬公司北京潮順。
- 增加北京巨屏傳媒之註冊資本
- 雙方確認及承認，北京巨屏傳媒之註冊資本已增至人民幣5,000,000元。

北京巨屏傳媒業務對本集團之重要性

憑藉管制協議，本集團可透過經營中國大型購物商場及百貨店中庭巨屏電視頻道之連鎖廣播網絡於中國從事室內廣告業務。然而，由於本集團已自二零一三年下半年起成功進軍焦煤貿易，因此北京巨屏傳媒之業務對本集團之貢獻變得較不顯著。

SIGNIFICANCE OF THE BUSINESSES OF BEIJING MEGA TV MEDIA TO THE GROUP (cont'd)

Further, the business of Beijing Mega TV Media has not achieved any significant growth since 2012 as the planned collaboration with major shopping malls and department stores in the PRC has not been carried out as expected. Due to increasing competition in the media and advertising business, Beijing Mega TV Media did not manage to secure more contracts with major shopping malls and department stores in China.

As a result, since 2012, Beijing Mega TV Media has become relatively insignificant and immaterial to the business of the Group as a whole and the goodwill associated with the acquisition of GMG Media was significantly impaired during years 2012 and 2013.

FINANCIAL IMPACT ON THE GROUP

During the two years ended 31 December 2014 and 31 December 2015, the contributions of Beijing Mega TV Media to the Group's revenue and assets are as follows:

Revenue	收益
Net Profit	純利
Assets	資產

Although the Group is entitled to 100% of the actual net profit of Beijing Mega TV Media according to the Management Agreement, Beijing Mega TV Media did not record any net profit for the year ended 31 December 2014 and 2015.

北京巨屏傳媒業務對本集團之重要性 (續)

此外，由於與中國大型購物商場及百貨店之擬定合作未能如期展開，北京巨屏傳媒之業務自二零一二年起並未取得顯著增長。鑒於媒體及廣告業務之競爭與日俱增，北京巨屏傳媒並未能與中國大型購物商場及百貨店簽訂更多合約。

因此，自二零一二年起，北京巨屏傳媒對本集團整體業務而言屬相對不重要及影響不大，收購GMG Media相關之商譽亦於二零一二年及二零一三年內悉數減值。

對本集團之財務影響

截至二零一四年十二月三十一日及二零一五年十二月三十一日止兩個年度，北京巨屏傳媒對本集團收益及資產之貢獻如下：

For the year ended 31 December

截至十二月三十一日止年度

2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
-	-
-	-
325	396

儘管根據管理協議本集團有權獲得北京巨屏傳媒之全部實際純利，惟北京巨屏傳媒於截至二零一四年及二零一五年十二月三十一日止年度並未錄得任何純利。

REASONS FOR USING THE CONTROL AGREEMENTS

According to the PRC law, the Group can acquire 100% interests in Beijing Mega TV Media.

However, the Directors are of the view that it is for the benefits of the Group to continue the Control Agreements for the following reasons:

1. according to the Management Agreement, the Group can take up 100% of the net profit of Beijing Mega TV Media and the Group will not take up any loss or liabilities of Beijing Mega TV Media;
2. the Group can exercise effective control over Beijing Mega TV Media through the Control Agreements;
3. the management of Beijing Mega TV Media is responsible for the day to day management of the company and they are responsible to report to the Group.
4. the business of Beijing Mega TV Media is not significant to the business of the Group as a whole.

EFFECTIVENESS OF THE CONTROL AGREEMENTS AND POTENTIAL RISKS

The Group can exercise effective control over Beijing Mega TV Media according to the Control Agreements and the Group has not encountered any difficulty in exercising its rights.

There may be risk that the Borrowers or Beijing Mega TV Media fails to observe and perform their/its obligations under the Control Agreement. In such circumstances, the Group may exercise its rights to acquire 100% interests in Beijing Mega TV Media.

MATERIAL CHANGE IN THE CONTROL AGREEMENTS AND ITS IMPACT

Since the Control Agreements were executed in October and December 2009, there is no change to the terms of the Control Agreements. On 30 June 2010, GMG Media assigned all of its rights and obligations under the Management Agreement to 北京市潮順信息諮詢有限公司 (Beijing Chao Shun Information Consulting Company Limited*), a company established in the PRC which is wholly and beneficially owned by the Company.

動用管制協議之理由

根據中國法律，本集團可收購北京巨屏傳媒之全部權益。

然而，董事認為繼續管制協議符合本集團之利益，理由如下：

1. 根據管理協議，本集團可獲取北京巨屏傳媒之全部純利，及本集團毋須承擔北京巨屏傳媒之任何虧損或負債；
2. 本集團可透過管制協議對北京巨屏傳媒進行有效控制；
3. 北京巨屏傳媒管理層負責該公司之日常管理且須向本集團匯報；及
4. 北京巨屏傳媒之業務對本集團之整體業務而言屬不重大。

管制協議之效力及潛在風險

本集團可根據管制協議對北京巨屏傳媒進行有效控制，本集團並未在行使其權利時遭遇任何困難。

借方或北京巨屏傳媒或會未能遵守及履行其於管制協議項下之責任。在該情況下，本集團或會行使其權利收購北京巨屏傳媒之全部權益。

管制協議之重大變動及其影響

管制協議乃於二零零九年十月及十二月簽立，管制協議之條款概無變動。於二零一零年六月三十日，GMG Media向北京市潮順信息諮詢有限公司轉讓其於管理協議項下之全部權利及義務。該公司於中國成立，由本公司全資實益擁有。

UNWINDING OF THE CONTROL AGREEMENTS

No Control Agreement has been unwound as at the date of this report. The Directors will closely monitor the performance of Beijing Mega TV Media. If the Directors are of the view that it is in the interests of the Group to acquire Beijing Mega TV Media, the Group will exercise its rights to acquire the entire interests in Beijing Mega TV Media. The consideration will be set off against the amount of the Loan.

If there is any updated material information relating to any of the above matters, the Company will make further announcement in accordance with the Listing Rules.

解除管制協議

於本報告日期，概無管制協議獲解除。董事將密切監視北京巨屏傳媒之表現。倘董事認為收購北京巨屏傳媒符合本集團之利益，本集團將行使其權利收購北京巨屏傳媒之全部權益。代價將以該貸款之金額抵銷。

上述任何事宜如有任何最新重大進展，本公司將根據上市規則作出進一步公佈。