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CINDERELLA MEDIA GROUP LIMITED

先傳媒集團有限公司*

(continued in Bermuda with limited liability)

(Stock code: 550)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

AUDITED RESULTS

The board of directors (the “Board”) of Cinderella Media Group Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015, together with the comparative figures for the year ended 31 December 2014 as follows:

* For identification purpose only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2015

	<i>Note</i>	2015 HK\$'000	2014 HK\$'000 (restated)
Continuing operations			
Turnover	3	62,857	59,923
Direct operating costs		<u>(17,118)</u>	<u>(16,696)</u>
Gross profit		45,739	43,227
Other revenue and net income	5	1,813	3,194
Selling and distribution costs		(16,759)	(16,042)
Administrative expenses		(25,253)	(14,273)
Other expenses		(56)	(78)
Finance costs	6	<u>(72)</u>	<u>(66)</u>
Profit before income tax from continuing operations	7	5,412	15,962
Income tax expense	8	<u>(1,719)</u>	<u>(2,353)</u>
Profit for the year from continuing operations		<u>3,693</u>	<u>13,609</u>
Discontinued operations			
(Loss)/Profit for the year from discontinued operations	9	<u>(29,758)</u>	<u>81,026</u>
(Loss)/Profit for the year		<u>(26,065)</u>	<u>94,635</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange gain/(loss) on translation of financial statements of foreign operations		1,070	(633)
Release of exchange reserve upon disposal/ distribution of subsidiaries		<u>(4,041)</u>	<u>(1,608)</u>
Other comprehensive income for the year, net of tax		<u>(2,971)</u>	<u>(2,241)</u>
Total comprehensive income for the year		<u>(29,036)</u>	<u>92,394</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015 (Continued)

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
(Loss)/Profit for the year attributable to:			
Owners of the Company			
Profit for the year from continuing operations		3,693	13,609
(Loss)/Profit for the year from discontinued operations		(29,758)	65,304
		<hr/>	<hr/>
(Loss)/Profit for the year attributable to owners of the Company		(26,065)	78,913
		<hr/>	<hr/>
Non-controlling interests			
Profit for the year from continuing operations		–	–
Profit for the year from discontinued operations		–	15,722
		<hr/>	<hr/>
Profit for the year attributable to non-controlling interests		–	15,722
		<hr/>	<hr/>
		(26,065)	94,635
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:			
Owners of the Company		(29,036)	76,763
Non-controlling interests		–	15,631
		<hr/>	<hr/>
		(29,036)	92,394
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/Earnings per share from continuing and discontinued operations			
	11(a)		
Basic		(HK7.81cents)	HK23.67cents
		<hr/> <hr/>	<hr/> <hr/>
Diluted		(HK7.81cents)	HK23.67cents
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share from continuing operations			
	11(b)		
Basic		HK1.11cents	HK4.08cents
		<hr/> <hr/>	<hr/> <hr/>
Diluted		HK1.11cents	HK4.08cents
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	4,748	4,704
Prepaid land lease payments	13	5,286	5,651
Investment properties	14	28,826	29,706
		38,860	40,061
Current assets			
Trade and other receivables and deposits	15	8,793	68,430
Financial assets at fair value through profit or loss		–	1,591
Tax recoverable		3,187	4,384
Cash and cash equivalents		90,858	151,615
		102,838	226,020
Current liabilities			
Trade and other payables	16	6,909	69,740
Bank borrowings	17	–	7,672
Provision for taxation		4,081	5,888
		10,990	83,300
Net current assets		91,848	142,720
Total assets less current liabilities		130,708	182,781
Non-current liabilities			
Deferred tax liabilities		–	3,255
Net assets		130,708	179,526
EQUITY			
Share capital		66,757	66,727
Reserves		63,951	112,799
Total equity		130,708	179,526

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Employee compensation reserve HK\$'000	Exchange reserve HK\$'000	Merger reserve HK\$'000	Contributed surplus HK\$'000	Statutory reserves HK\$'000	Other reserve HK\$'000	Employee compensation reserve of subsidiary HK\$'000	Proposed final and special dividends HK\$'000	Retained earnings HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2014	66,482	116,022	538	4,771	(43,897)	2,371	2,341	(16,648)	589	66,488	445,093	644,150	262,784	906,934
Equity-settled share-based payment expense	-	-	-	-	-	-	-	-	1,677	-	-	1,677	1,103	2,780
Shares vested under share award scheme	-	-	-	-	-	-	-	-	(948)	-	-	(948)	(624)	(1,572)
Exercise of share options	245	2,036	(197)	-	-	-	-	-	-	-	-	2,084	-	2,084
Share issue expenses	-	(9)	-	-	-	-	-	-	-	-	-	(9)	-	(9)
Final 2013 dividends paid	-	-	-	-	-	-	-	-	-	(66,488)	(239)	(66,727)	-	(66,727)
Distribution in species	-	-	-	-	-	(5,000)	-	-	-	-	(454,114)	(459,114)	-	(459,114)
Interim 2014 dividends paid	-	-	-	-	-	-	-	-	-	-	(18,350)	(18,350)	-	(18,350)
Disposal/distribution of subsidiaries	-	-	-	-	-	-	(1,054)	16,648	(1,318)	-	(14,276)	-	(278,894)	(278,894)
Transactions with owners	245	2,027	(197)	-	-	(5,000)	(1,054)	16,648	(589)	(66,488)	(486,979)	(541,387)	(278,415)	(819,802)
Profit for the year	-	-	-	-	-	-	-	-	-	-	78,913	78,913	15,722	94,635
Other comprehensive income														
Currency translation	-	-	-	(542)	-	-	-	-	-	-	-	(542)	(91)	(633)
Release of exchange reserve upon distribution of subsidiaries	-	-	-	(1,608)	-	-	-	-	-	-	-	(1,608)	-	(1,608)
Total comprehensive income for the year	-	-	-	(2,150)	-	-	-	-	-	-	78,913	76,763	15,631	92,394
Proposed final 2014 dividends	-	-	-	-	-	(20,018)	-	-	-	20,018	-	-	-	-
Transfers	-	(118,049)	-	-	-	118,049	-	-	-	-	-	-	-	-
Balance at 31 December 2014	66,727	-	341	2,621	(43,897)	95,402	1,287	-	-	20,018	37,027	179,526	-	179,526

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015 (Continued)

	Attributable to owners of the Company											Non-controlling interests	Total equity
	Share capital	Share premium	Employee compensation reserve	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserves	Other reserve	Employee compensation reserve of subsidiary	Proposed final and special dividends	Retained earnings	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2015	66,727	-	341	2,621	(43,897)	95,402	1,287	-	-	20,018	37,027	179,526	-
Exercise of share options	30	552	(341)	-	-	-	-	-	-	-	-	241	-
Share issue expenses	-	(5)	-	-	-	-	-	-	-	-	-	(5)	-
Final 2014 dividends paid	-	-	-	-	-	-	-	-	-	(20,018)	-	(20,018)	-
Disposal of subsidiaries	-	-	-	-	-	-	(1,287)	-	-	-	1,287	-	-
Transactions with owners	30	547	(341)	-	-	-	(1,287)	-	-	(20,018)	1,287	(19,782)	-
Loss for the year	-	-	-	-	-	-	-	-	-	-	(26,065)	(26,065)	-
Other comprehensive income													
Currency translation	-	-	-	1,070	-	-	-	-	-	-	-	1,070	-
Release of exchange reserve upon disposal of subsidiaries	-	-	-	(4,041)	-	-	-	-	-	-	-	(4,041)	-
Total comprehensive income for the year	-	-	-	(2,971)	-	-	-	-	-	-	(26,065)	(29,036)	-
Balance at 31 December 2015	66,757	547	-	(350)	(43,897)	95,402	-	-	-	-	12,249	130,708	-

Merger reserve of the Group arose as a result of the Group's reorganisation in 2000 and represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of Recruit (BVI) Limited. Contributed surplus of the Group arose as a result of the reduction in share capital in accordance with the Group's capital reorganisation in 2003.

In accordance with relevant regulations prevailing in the People's Republic of China ("the PRC"), certain of the Company's subsidiaries, established in the PRC, are required to appropriate no less than 10% of their net profits to the statutory reserves, until the respective balances of the fund reach 50% of the respective registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset against their respective accumulated losses, if any.

1. GENERAL INFORMATION

Cinderella Media Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company on 13 March 2000 and redomiciled to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, with limited liability on 29 January 2003. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is 26/F, 625 King’s Road, North Point, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”).

As at 31 December 2014, the Company’s ultimate holding company was ER2 Holdings Limited which was incorporated in Hong Kong and the Company’s immediate holding company was City Apex Limited, which was incorporated in the British Virgin Islands. Since, ER2 Holdings Limited and City Apex Limited have disposed of all their equity interests in the Company on 25 August 2015, ER2 Holdings Limited and City Apex Limited are no longer the Company’s ultimate holding company and immediate holding company respectively.

During the year, the Company disposed of its inflight magazines business which was mainly conducted by its former subsidiaries, CinMedia Inc. and Easking Limited. The financial results of these subsidiaries (collectively referred as “Inflight Magazine Group”) are presented as discontinued operations, in accordance with HKFRS 5. Details of which are set out in Note 9. Certain comparatives on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and related notes to the financial statements have been restated so as to reflect the results for the continuing operations and discontinued operations as if the Inflight Magazine Group had been discontinued at the beginning of the comparative period. Other than these disposals, there were no significant changes in the Group’s operations during the year.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

2. ADOPTION OF NEW OR AMENDED HKFRSs

During the year, the Group has adopted all the amended HKFRSs which are first effective for the reporting year and relevant to the Group. The adoption of these amended HKFRSs did not result in material changes to the Group's accounting policies.

At the date of this results announcement, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the impact of the new and amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new and amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 (2014) Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2018. HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

HKFRS 15 – Revenue from Contracts with Customers

The standard is effective for accounting periods beginning on or after 1 January 2018. The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

3. TURNOVER

Turnover represents the revenue from the Group's principal activities as analysed below:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Continuing operations		
Advertising income	62,011	59,625
Rental income	846	298
	62,857	59,923

During the year, management identified property investment as another principal activity of the Group. Accordingly, rental income from property investment is classified from other revenue and net income to turnover and comparative figures for the year ended 31 December 2014 have been restated.

4. SEGMENT INFORMATION

The executive directors have identified the Group's two service lines: i) advertising; and ii) property investment as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Advertising		Property investment		Consolidated	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)		(restated)
Revenue						
– External sales	62,011	59,625	846	298	62,857	59,923
Reportable segment profit	17,113	22,631	350	121	17,463	22,752
Depreciation	139	130	343	114	482	244
Impairment of trade receivables	56	78	–	–	56	78
Reportable segment assets	11,013	11,795	29,383	30,083	40,396	41,878
Additions to non-current segment assets during the year	22	73	–	–	22	73
Reportable segment liabilities	9,895	5,994	20	299	9,915	6,293

4. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Continuing operations		
Reportable segment revenue (Turnover)	62,857	59,923
Group revenue	62,857	59,923
Reportable segment profit	17,463	22,752
Unallocated corporate income	1,715	3,109
Unallocated corporate expenses	(13,694)	(9,833)
Finance costs	(72)	(66)
Profit before income tax	5,412	15,962
Reportable segment assets	40,396	41,878
Other corporate assets	101,302	109,227
Segment assets of discontinued operations	–	114,976
Group assets	141,698	266,081
Reportable segment liabilities	9,915	6,293
Other corporate liabilities	1,075	772
Segment liabilities of discontinued operations	–	68,563
Deferred tax liabilities	–	3,255
Borrowings	–	7,672
Group liabilities	10,990	86,555

Inflight magazine business has been discontinued in the current year. Segment information reported above does not include any amounts for these discontinued operations.

Certain comparative information in the segment information for the year ended 31 December 2014 has been restated. In prior years, executive directors identified advertising as the only reportable segment. For the year ended 31 December 2015, in view of a change in the focus of the Group's business and the future business development, the executive directors identified advertising and property investment as the reportable segments of the Group as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative information has been reclassified accordingly.

4. SEGMENT INFORMATION (Continued)

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas.

	Revenue from external customers (Continuing operations)		Non-current assets	
	2015 HK\$'000	2014 HK\$'000 (restated)	2015 HK\$'000	2014 HK\$'000
PRC	–	–	7,952	9,099
Hong Kong (domicile)	62,857	59,923	30,908	30,943
Taiwan	–	–	–	19
	<u>62,857</u>	<u>59,923</u>	<u>38,860</u>	<u>40,061</u>

Sales by geographical markets are analysed based on the location of customers and the geographical location of non-current assets is based on the physical location of the assets.

5. OTHER REVENUE AND NET INCOME

	2015 HK\$'000	2014 HK\$'000 (restated)
Continuing operations		
Interest income	937	2,053
Dividend income from listed equity securities	48	94
Bad debt recovered	3	10
Service income	402	620
Sundry income	423	417
	<u>1,813</u>	<u>3,194</u>

During the year, management identified property investment as another principal activity of the Group. Accordingly, rental income for property investment is classified from other revenue and net income to turnover and comparative figures for the year ended 31 December 2014 have been restated.

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Continuing operations		
Interest charges on bank borrowings with repayment on demand clause (wholly repayable within five years)	<u>72</u>	<u>66</u>

7. PROFIT BEFORE INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Continuing operations		
Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	96	–
Auditor's remuneration	500	536
Depreciation of property, plant and equipment, included in administrative expense	618	697
Depreciation of investment properties	880	114
Employee benefit expense	26,948	17,664
Impairment of trade receivables	56	78
Minimum lease payments paid under operating leases in respect of:		
– Rented premises and production facilities	1,500	615
– Internet access line	154	154
– Office equipment	47	–
Direct operating expenses arising from investment properties that generated rental income	104	132
Gains on financial assets at fair value through profit or loss	<u>(57)</u>	<u>(115)</u>

During the year, auditor's remuneration for other services amounted to HK\$810,000 (2014: Nil).

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Continuing operations		
Hong Kong profits tax		
Current year	1,718	2,363
Under/(Over) provision in prior years	1	(10)
	<u>1,719</u>	<u>2,353</u>

9. DISCONTINUED OPERATIONS

On 25 August 2015, the Company sold its entire equity interests of CinMedia Inc. and Easking Limited, subsidiaries of the Company, and the shareholders' loans to ER2 Holdings Limited, at the consideration of HK\$12,500,000. CinMedia Inc. and Easking Limited are principally engaged in the inflight magazines advertising business.

On 26 February 2014, the Company announced the decision of its board of directors of the distribution in specie of shares in 1010 Printing Group Limited, a 60.32% owned subsidiary of the Group, to its shareholders on the basis of 139 shares in 1010 Printing Group Limited for every 100 ordinary shares of the Company held by the shareholders as at the record date of 2 May 2014.

The operations of Inflight Magazine Group and 1010 Printing Group represented the entire business segment of inflight magazine advertising and printing of the Group respectively and therefore they are presented as discontinued operations in 2015 and 2014 Group accounts in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The comparative consolidated statement of profit or loss and other comprehensive income, profit before income tax stated in the consolidated statements of cash flows and the relevant disclosure notes for profit or loss items have been re-stated for discontinued operations.

9. DISCONTINUED OPERATIONS (Continued)

An analysis of the results of the discontinued operations included in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2015		2014	
	Inflight magazine advertising HK\$'000	Inflight magazine advertising HK\$'000	Printing HK\$'000	Total HK\$'000
Turnover	168,620	416,524	365,751	782,275
Direct operating costs	(166,865)	(360,685)	(262,944)	(623,629)
Other revenue and net income	3,726	4,101	10,299	14,400
Selling and distribution costs	(13,337)	(14,396)	(50,635)	(65,031)
Administrative expenses	(11,032)	(23,365)	(11,800)	(35,165)
Other expenses	(10,845)	(3,627)	(1,422)	(5,049)
Finance costs	–	–	(637)	(637)
(Loss)/Profit before income tax from discontinued operations	(29,733)	18,552	48,612	67,164
Income tax expenses	(4,537)	(14,201)	(8,903)	(23,104)
(Loss)/Profit after income tax from discontinued operations	(34,270)	4,351	39,709	44,060
Gain on disposals of subsidiary (Note 18)	4,512	–	–	–
Gain on distribution of subsidiaries	–	–	36,966	36,966
(Loss)/Profit for the year from discontinued operations	(29,758)	4,351	76,675	81,026

10. DIVIDENDS

(a) Dividends attributable to the year:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividend of Nil (2014: HK\$0.055) per share	–	18,350
Proposed final dividend of Nil (2014: HK\$0.06) per share	–	20,018
	<u>–</u>	<u>20,018</u>
	<u><u>–</u></u>	<u><u>38,368</u></u>

Final dividend proposed after the reporting date had not been recognised as a liability at the reporting date. Final dividend proposed was reflected as an appropriation of contributed surplus for the year ended 31 December 2014 to proposed final dividends reserve.

Proposed final dividend had been distributed subsequent to the reporting date and was subject to the approval of the Company's shareholders in the subsequent annual general meeting.

(b) Dividends approved and paid during the year:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim paid in respect of current year Nil (2014: HK\$0.055) per share	–	18,350
Final paid in respect of prior year HK\$0.06 (2014: HK\$0.2) per share	20,018	66,488
Additional final in respect of prior year	–	239
Distribution in Specie in respect of prior year	–	459,114
	<u>20,018</u>	<u>459,114</u>
	<u><u>20,018</u></u>	<u><u>544,191</u></u>

11. (LOSS)/EARNINGS PER SHARE

(a) For continuing and discontinued operations

The calculations of basic and diluted (loss)/earnings per share are based on the following data:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/Profit for the year attributable to owners of the Company		
Continuing operations	3,693	13,609
Discontinued operations	(29,758)	65,304
	<u>(26,065)</u>	<u>65,304</u>
	<u><u>(26,065)</u></u>	<u><u>78,913</u></u>

11. (LOSS)/EARNINGS PER SHARE (Continued)

	Number of shares	
	2015	2014
	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	333,712	333,381
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	10	–
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>333,722</u>	<u>333,381</u>

In 2015 and 2014, diluted (loss)/earnings per share attributable to owners of the Company are the same as basic (loss)/earnings per share as the impact of the exercise of share options was anti-dilutive.

(b) For continuing operations

The calculation of basic earnings per share from continuing operations is based on the profit attributable to owners of the Company from continuing operations of HK\$3,693,000 (2014: HK\$13,609,000) and the denominators used are the same as those detailed above for basic earnings per share.

For the year ended 31 December 2015, diluted earnings per share from continuing operations is based on profit attributable to owners of the Company from continuing operations of HK\$3,693,000 and the denominators used are the same as those detailed above for diluted earnings per share.

For the year ended 31 December 2014, diluted earnings per share from continuing operations attributable to owners of the Company are the same as basic earnings per share as the impact of the exercise of share options was anti-dilutive.

(c) For discontinued operations

Basic loss per share for discontinued operations for the year is HK\$8.92 cents (2014: basic earnings per share of HK\$19.59 cents), based on the loss attributable to owners of the Company from discontinued operations of HK\$29,758,000 (2014: profit of HK\$65,304,000) and the denominators used are the same as those detailed above for both basic (losses)/earnings per share.

For the years ended 31 December 2015 and 2014, diluted (loss)/earnings per share from discontinued operations attributable to owners of the Company are the same as basic (loss)/earnings per share as the impact of the exercise of share options was anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Leasehold improvements HK\$'000	Computer equipment and system HK\$'000	Motor vehicles HK\$'000	Machinery HK\$'000	Total HK\$'000
At 1 January 2014								
Cost	9,052	6,024	6,206	50,886	38,368	3,149	278,257	391,942
Accumulated depreciation	(761)	(4,821)	(4,535)	(30,591)	(36,789)	(921)	(112,619)	(191,037)
Net book amount	<u>8,291</u>	<u>1,203</u>	<u>1,671</u>	<u>20,295</u>	<u>1,579</u>	<u>2,228</u>	<u>165,638</u>	<u>200,905</u>
Year ended 31 December 2014								
Opening net book amount	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
Exchange differences	(23)	(1)	–	(3)	–	(1)	23	(5)
Additions	–	243	631	927	1,111	–	1,180	4,092
Disposals	–	(28)	(2)	(36)	(34)	–	(340)	(440)
Distribution of subsidiaries	(5,229)	(803)	(1,871)	(18,538)	(1,470)	(1,707)	(158,676)	(188,294)
Depreciation	(188)	(254)	(270)	(2,063)	(656)	(298)	(7,825)	(11,554)
Closing net book amount	<u>2,851</u>	<u>360</u>	<u>159</u>	<u>582</u>	<u>530</u>	<u>222</u>	<u>–</u>	<u>4,704</u>
At 31 December 2014								
Cost	3,237	1,585	1,341	2,003	27,749	672	–	36,587
Accumulated depreciation	(386)	(1,225)	(1,182)	(1,421)	(27,219)	(450)	–	(31,883)
Net book amount	<u>2,851</u>	<u>360</u>	<u>159</u>	<u>582</u>	<u>530</u>	<u>222</u>	<u>–</u>	<u>4,704</u>
Year ended 31 December 2015								
Opening net book amount	2,851	360	159	582	530	222	–	4,704
Exchange differences	(113)	(6)	(1)	(13)	(2)	(1)	–	(136)
Additions	–	129	–	33	83	1,433	–	1,678
Disposal of subsidiaries (Note 18)	–	(153)	(43)	(340)	(34)	(6)	–	(576)
Depreciation	(73)	(107)	(51)	(255)	(311)	(125)	–	(922)
Closing net book amount	<u>2,665</u>	<u>223</u>	<u>64</u>	<u>7</u>	<u>266</u>	<u>1,523</u>	<u>–</u>	<u>4,748</u>
At 31 December 2015								
Cost	3,107	1,428	1,241	1,207	23,941	1,972	–	32,896
Accumulated depreciation	(442)	(1,205)	(1,177)	(1,200)	(23,675)	(449)	–	(28,148)
Net book amount	<u>2,665</u>	<u>223</u>	<u>64</u>	<u>7</u>	<u>266</u>	<u>1,523</u>	<u>–</u>	<u>4,748</u>

As at 31 December 2015 and 2014, the Group's leasehold land and buildings were situated in the PRC and were held under medium-term leases.

13. PREPAID LAND LEASE PAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January		
Cost	6,418	6,470
Accumulated amortisation	(767)	(625)
Net book amount	5,651	5,845
Opening net book amount	5,651	5,845
Exchange differences	(221)	(47)
Amortisation	(144)	(147)
Closing net book amount	5,286	5,651
At 31 December		
Cost	6,161	6,418
Accumulated amortisation	(875)	(767)
Net book amount	5,286	5,651

The balances as at 31 December 2015 and 2014 represented up-front payments to acquire the right of use of land in the PRC, which is held under a medium-term lease.

14. INVESTMENT PROPERTIES

	2015 HK\$'000	2014 HK\$'000
At 1 January		
Cost	30,000	10,370
Accumulated depreciation	(294)	(178)
Net book amount	29,706	10,192
Opening net book amount	29,706	10,192
Distribution of subsidiaries	–	(10,091)
Acquisition of assets and liabilities through acquisition of a subsidiary	–	30,000
Depreciation	(880)	(395)
Closing net book amount	28,826	29,706
At 31 December		
Cost	30,000	30,000
Accumulated depreciation	(1,174)	(294)
Net book amount	28,826	29,706

All investment properties as at 31 December 2014 were pledged to secure bank borrowings granted to the Group. No investment properties were pledged as at 31 December 2015.

As at 31 December 2015 and 2014, the Group's investment properties are situated in Hong Kong and are held under medium-term leases.

15. TRADE AND OTHER RECEIVABLES AND DEPOSITS

Ageing analysis of trade receivables, net of provision as at 31 December 2015, based on invoice date, is as follows:

	2015 HK\$'000	2014 HK\$'000
0 – 30 days	6,356	13,780
31 – 60 days	231	5,710
61 – 90 days	39	54
91 – 120 days	4	2,761
121 – 150 days	3	3,752
Over 150 days	–	6,078
	<hr/>	<hr/>
Total trade receivables	6,633	32,135
Other receivables and deposits	2,160	36,295
	<hr/>	<hr/>
	8,793	68,430
	<hr/> <hr/>	<hr/> <hr/>

The Group allows a credit period from 7 to 120 days (2014: 7 to 120 days) to its customers.

16. TRADE AND OTHER PAYABLES

	2015 HK\$'000	2014 HK\$'000
0 – 30 days	–	6,112
31 – 60 days	–	5,327
61 – 90 days	–	4,486
91 – 120 days	–	6,264
Over 120 days	–	11,837
	<hr/>	<hr/>
	–	34,026
Other payables and accruals	6,909	35,714
	<hr/>	<hr/>
	6,909	69,740
	<hr/> <hr/>	<hr/> <hr/>

Credit terms granted by suppliers are 30 days save for the net balance payable to a major business partner of the Group which is settled on a half yearly (2014: half yearly) basis according to the terms of an agreement signed with this business partner.

17. BANK BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current portion		
– Bank loans due for repayment within one year	–	1,164
– Bank loans due for repayment after one year which contain a repayment on demand clause	–	6,508
	<hr/>	<hr/>
Total bank borrowings	<u>–</u>	<u>7,672</u>

Assuming that the banks do not invoke the clause for repayment on demand and based on the repayment dates as scheduled in the loan agreements, the Group's bank borrowings which were due for repayment as at each of the reporting dates were as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	–	1,164
In the second year	–	1,164
In the third to fifth year	–	5,344
	<hr/>	<hr/>
Wholly repayable within five years	<u>–</u>	<u>7,672</u>

18. DISPOSAL OF SUBSIDIARIES

As mentioned in Note 9 to the results announcement, on 25 August 2015, the Group disposed its entire interests in CinMedia Inc. and Easking Limited and their shareholders' loans to ER2 Holdings Limited at the consideration of HK\$12,500,000. The net assets of (1) CinMedia Inc. and its subsidiaries, CinMedia Limited, Eastern Inflight Magazine Productions Limited, Southern Inflight Magazine Production Limited, EAR Media Limited, Iguazu (Shanghai) Advertising Company Limited, CinMedia Publishing Limited and CinMedia (Taiwan) Limited ("CinMedia Group"), and (2) Easking Limited and its subsidiaries, 灝天廣告(上海)有限公司, 北京天機躍動文化傳媒有限公司 and 廣州天晉廣告有限公司 ("Easking Group"), at the date of disposal are as follows:

	CinMedia Group <i>HK\$'000</i>	Easking Group <i>HK\$'000</i>	Total <i>HK\$'000</i>
Property, plant and equipment	343	233	576
Trade and other receivables	4,895	30,315	35,210
Tax recoverable	794	–	794
Cash and cash equivalents	25,307	28,097	53,404
Trade and other payables	(11,266)	(65,493)	(76,759)
Shareholder's loans from the Group	–	(19,300)	(19,300)
Provision for taxation	–	(53)	(53)
Deferred tax liabilities	(295)	(3,146)	(3,441)
	<u>19,778</u>	<u>(29,347)</u>	<u>(9,569)</u>
Exchange reserve			(4,041)
Assignment of shareholder's loans from the Group			19,300
Gain on disposal of subsidiaries			<u>4,512</u>
Total consideration			<u><u>10,202</u></u>
Total consideration consists of:			
Cash consideration			12,500
Less: cost incurred on the disposal			<u>(2,298)</u>
			<u><u>10,202</u></u>
Net cash outflow arising from the disposal:			
Cash consideration			12,500
Cash and cash equivalents disposed of			(53,404)
Cost incurred on the disposal			<u>(2,298)</u>
			<u><u>(43,202)</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Recruit Magazine

Turnover for the recruitment advertising business registered a 4% increase from HK\$59.6 million in 2014 to HK\$62.0 million in 2015. The revenue from placing print advertisements in the “Recruit” and “Like” magazines was steady although the local print recruitment advertising market continued to shrink. The Recruit.com.hk job board unit recorded satisfactory improvements. The outperformance is due to management’s initiative in promoting the “Recruit” and “Like” brand names, such as organizing job fairs, organizing roundtable conference and placing advertisements.

Recruit magazine and website is one of the preferred job search platform in Hong Kong. Our platforms, which include printed media, electronic media and job fairs, help advertisers disseminating vacancies effectively. Our recruitment advertising business has a stable and diverse customer base. The bilingual recruitment advertisement website provides a personalized solution to both job seekers and advertisers. The job fairs were very well received by our customers and job applicants. The collaboration with China Daily (Hong Kong Edition) and Hong Kong Management Association to organize the roundtable conference on manpower planning strategies provides insight to our customers. It also helps increase our brands awareness. The “Recruit Part Time Job” mobile app, which was launched last year, allows jobseekers to search and apply for part time jobs easily.

Property Investment

Apart from media business, the Group is also engaged in property investment business. Express Ocean Investment Limited is a wholly owned subsidiary of the Company which owns several office premises in Hong Kong. This business contributes a steady stream of rental income to the Group.

PROSPECTS

China is facing many economic challenges, to name a few, overcapacity, high indebtedness in both public and private sectors which renders a high default risk, unemployment, loss of foreign exchange reserve, etc. The slowdown of economic growth is perceived that a reversal is not going to happen in near future. Since the association between China and Hong Kong is so high and multi-faceted, Hong Kong’s economy is unavoidably affected in a negative way that unemployment will add pressure to the labour market. If this happens, it is feared that the prospect on advertising income from recruitment magazine will be adversely impacted, leading to a drop in advertising income in this aspect. Even so, in progressing of acquisition of Hong Kong Made which is engaging in advertising business in Guangzhou-Shenzhen Railway may become the main revenue stream to the Group as the slowdown in China’s economy is expected to have less impact on this business.

PROSPECTS (Continued)

On the other hand, the Group may consider expand the property investment business if the property market condition is improved that it is anticipated to generate considerable return while the investment is financially sound to the Group.

FINANCIAL REVIEW

Continuing operations

Turnover for the year ended 31 December 2015 was approximately HK\$62.9 million and represented an increase of 4.9% from the previous corresponding year (2014: HK\$59.9 million (restated)). The gross profit margin improved slightly from 72.1% (restated) in 2014 to 72.8% in 2015.

Other income decreased by 43.2% to approximately HK\$1.8 million in 2015 (2014: HK\$3.2 million (restated)) mainly due to decrease in interest income by approximately HK\$1.1 million.

The selling and distribution expenses increased by 4.5% which was in line with the increase in revenue. The administrative expenses significantly increased by 76.9% mainly due to increase in rental expenses and staff salaries and bonus.

Discontinued operations

During the year, the Company disposed of inflight magazine business. On 1 June 2015, Recruit (BVI) Limited, a subsidiary of the Company, agreed to sell the entire issued capital and the shareholders' loans of each of CinMedia Inc. and Easking Limited to ER2 Holdings Limited, in which Mr. Lau Chuk Kin, the then chairman and executive Director of the Company, had 67% interest and in which Mr. Wan Siu Kau, the then non-executive Director of the Company, had 12% interest, at a consideration of HK\$12,500,000. The transaction concerned was a connected transaction and was subsequently approved by independent shareholders of the Company at the special general meeting held on 21 August 2015. After the completion of the said disposal, the Company recorded a gain on disposal of approximately HK\$4,500,000, but after taking into account the loss made for period from 1 January 2015 to the date of completion of disposal, a total of approximately HK\$29,800,000 loss from discontinued operations was recorded.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's assets as at 31 December 2015 were reduced significantly when compared with 2014 due to disposal of subsidiaries. As at 31 December 2015, the Group had net current assets of approximately HK\$91.8 million (2014: HK\$142.7 million). The Group's current ratio as at 31 December 2015, which is defined as current assets over current liabilities, was 9.4 (2014: 2.7). The financial position of the Group was healthy with total cash and bank balance of approximately HK\$90.9 million (2014: cash and bank deposits of approximately HK\$151.6 million).

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

The Group's gearing ratio as at 31 December 2015 was 0% (2014: 4.3%), which is calculated on the basis of the Group's total interest-bearing debts over the total equity interest. Total bank borrowing as at 31 December 2015 was nil (2014: bank borrowings of HK\$7.7 million). As at 31 December 2014, all the bank borrowings are denominated in Hong Kong dollars.

The Group adopts centralized financing and treasury policies in order to ensure the Group's funding is utilized efficiently. Conservative approach is adopted on monitoring foreign exchange exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading and capital expenditure when it was considered appropriate.

CAPITAL STRUCTURE

As at 31 December 2015, the total issued shares of the Company was 333,784,000 at HK\$0.2 each. During the year, no shares or share options were issued.

EVENT AFTER REPORT DATE

On 29 January 2016, Fullmoon Global Limited ("Fullmoon"), the Company's wholly owned subsidiary, entered into a sale and purchase agreement with Silver Golden Limited and Mr. Sui Chok Lee (collectively the "Vendors") where Fullmoon agreed to buy and the Vendors agreed to sell a total of 60% interest in Hong Kong Made (Media) Limited for a consideration of HK\$30,000,000 and a loan assignment of HK\$6,600,000.

The acquisition is not yet completed as at the date of this results announcement.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Saved as disclosed, the Group has not made any material acquisition or disposal of subsidiaries during the year under review.

CHARGES ON GROUP ASSETS

The Group has held several office premises as investment properties which were pledged to secure bank borrowings to the Group as at 31 December 2014. During the year, the pledge was released and no charges on the Group's assets as at 31 December 2015.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2015, the Group had around 53 employees (2014: 115). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

FINAL DIVIDEND

The Directors did not recommend any final dividend for the year ended 31 December 2015 (2014: HK\$0.06 per share).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Model Code regarding securities transactions by the Directors throughout the year ended 31 December 2015.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Group has adopted practices which meet the Corporate Governance Code and Corporate Governance Report for the year (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The report describes its corporate governance practices, explains the applications of the principles of the Code and deviations, if any.

In the opinion of the Board, the Company has complied with the Corporate Governance Code and Corporate Governance Report for the year contained in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The audit committee has four members comprising the three independent non-executive directors and one non-executive director, namely, Mr. Leung Siu Kee (Chairman), Mr. William Keith Jacobsen, Mr. Au Yeung Chi Hang, Jimmy and Mr. Yiu Yu Cheung with terms of reference in compliance with the Listing Rules. The audit committee has reviewed the audited financial results of the Group for the year ended 31 December 2015.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of this announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015.

By order of the Board
CINDERELLA MEDIA GROUP LIMITED
Tsang Hing Bun
Executive Director

Hong Kong, 30 March 2016

As at the date of this announcement, the Board comprises Mr. Liu Gary Wei, Ms. Chan Pak Yi and Mr. Tsang Hing Bun as executive Directors; Mr. Yiu Yu Cheung as non-executive Director; and Mr. Leung Siu Kee, Mr. William Keith Jacobsen and Mr. Au Yeung Chi Hang, Jimmy, as independent non-executive Directors.