

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement



CINDERELLA MEDIA GROUP LIMITED

先傳媒集團有限公司*

(continued in Bermuda with limited liability)

(Stock code: 550)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Board of Directors (the “Board”) of Cinderella Media Group Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2016 together with the comparative unaudited figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		(Unaudited)	
		Six months ended 30 June	
		2016	2015
	<i>Notes</i>	HK\$'000	HK\$'000
			<i>(restated)</i>
Continuing operations			
Turnover	3	42,103	31,826
Direct operating costs		(27,593)	(8,251)
Gross profit		14,510	23,575
Other income		140	1,718
Selling and distribution costs		(8,912)	(8,209)
Administrative expenses		(20,638)	(7,566)
Other expenses		(86)	(97)
Finance costs	4	—	(72)
(Loss)/Profit before income tax	5	(14,986)	9,349
Income tax credit/(expense)	6	675	(1,524)

* For identification purpose only

		(Unaudited)	
		Six months ended 30 June	
		2016	2015
		HK\$'000	HK\$'000
			(restated)
		<i>Notes</i>	
(Loss)/Profit for the period from continuing operations			
		<u>(14,311)</u>	<u>7,825</u>
Discontinued operations			
Loss for the period from discontinued operations	7	<u>–</u>	<u>(30,396)</u>
Loss for the period		<u>(14,311)</u>	<u>(22,571)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange loss on translation of financial statements of foreign operations		<u>(85)</u>	<u>–</u>
Fair value loss on available-for-sale financial assets		<u>(2,920)</u>	<u>–</u>
Other comprehensive income for the period, net of tax		<u>(3,005)</u>	<u>–</u>
Total comprehensive income for the period		<u>(17,316)</u>	<u>(22,571)</u>
Loss for the period attributable to:			
Owners of the Company		<u>(10,995)</u>	<u>(22,571)</u>
Non-controlling interests		<u>(3,316)</u>	<u>–</u>
		<u>(14,311)</u>	<u>(22,571)</u>
Total comprehensive income attributable to:			
Owners of the Company		<u>(14,000)</u>	<u>(22,571)</u>
Non-controlling interests		<u>(3,316)</u>	<u>–</u>
		<u>(17,316)</u>	<u>(22,571)</u>
(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company during the period			
		8	
From continuing and discontinued operations			
– Basic		<u>HK(3.29) cents</u>	<u>HK(6.76) cents</u>
– Diluted		<u>HK(3.29) cents</u>	<u>HK(6.76) cents</u>
From continuing operations			
– Basic		<u>HK(3.29) cents</u>	<u>HK2.35 cents</u>
– Diluted		<u>HK(3.29) cents</u>	<u>HK2.35 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		(Unaudited) At 30 June 2016 HK\$'000	(Audited) At 31 December 2015 HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		4,297	4,748
Investment properties		28,557	28,826
Prepaid land lease payments		5,127	5,286
Goodwill	17	3,211	—
Other intangible assets	9	186,700	—
Available-for-sale financial assets		36,303	—
		<u>264,195</u>	<u>38,860</u>
Current assets			
Trade and other receivables and deposits	10	21,205	8,793
Tax recoverable		1,407	3,187
Cash and cash equivalents		9,263	90,858
		<u>31,875</u>	<u>102,838</u>
Current liabilities			
Trade and other payables	11	4,640	6,909
Amount due to non-controlling interests of subsidiary		10,804	—
Amount due to shareholders		4,496	—
Current portion of license right fees payables		31,055	—
Provision for taxation		—	4,081
		<u>50,995</u>	<u>10,990</u>
Net current (liabilities)/assets		<u>(19,120)</u>	<u>91,848</u>
Total assets less current liabilities		<u>245,075</u>	<u>130,708</u>

		(Unaudited) At 30 June 2016 <i>HK\$'000</i>	(Audited) At 31 December 2015 <i>HK\$'000</i>
	<i>Note</i>		
Non-current liabilities			
Deferred tax liabilities		10,115	—
Non-current portion of license right fee payables		99,021	—
		<u>109,136</u>	<u>—</u>
Net assets		<u>135,939</u>	<u>130,708</u>
EQUITY			
Share capital	12	66,757	66,757
Reserves		<u>54,638</u>	<u>63,951</u>
Equity attributable to owners of the Company		121,395	130,708
Non-controlling interests		<u>14,544</u>	<u>—</u>
Total equity		<u>135,939</u>	<u>130,708</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	(Unaudited)	
	For the six months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
Net cash (used in)/generated from operating activities	<u>(5,774)</u>	<u>4,143</u>
Investing activities		
Interest received	–	933
Purchase of available-for-sale financial assets	(39,223)	–
Acquisition of a subsidiary (note 17)	(36,598)	–
Purchase of property, plant and equipment	–	(243)
Dividend income from listed equity securities	<u>–</u>	<u>31</u>
Net cash (used in)/generated from investing activities	<u>(75,821)</u>	<u>721</u>
Financing activities		
Repayment of bank borrowings	–	(7,672)
Interest on bank borrowings paid	–	(72)
Proceeds from issue of new shares	–	241
Share issue expenses paid	–	(5)
Dividends paid to equity holders of the Company	<u>–</u>	<u>(20,018)</u>
Net cash used in financing activities	<u>–</u>	<u>(27,526)</u>
Net decrease in cash and cash equivalents	(81,595)	(22,662)
Cash and cash equivalents at the beginning of the period	<u>90,858</u>	<u>151,615</u>
Cash and cash equivalents at the end of the period	<u>9,263</u>	<u>128,953</u>
Analysis of balances of cash and cash equivalents		
Bank and cash balances	9,263	80,079
Cash at brokers	–	21
Cash included in assets held for sale	<u>–</u>	<u>48,853</u>
	<u>9,263</u>	<u>128,953</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to owners of the Company								Non-controlling interests	Total equity	
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Employee compensation reserve HK\$'000	Exchange reserve HK\$'000	Merger reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2016 (Audited)	66,757	547	-	-	(350)	(43,897)	95,402	12,249	130,708	-	130,708
Share options granted	-	-		4,687	-	-	-	-	4,687	-	4,687
Acquisition of subsidiaries	-	-		-	-	-	-	-	-	17,860	17,860
Transactions with owners	-	-	-	4,687	-	-	-	-	4,687	17,860	22,547
Loss and total comprehensive income											
Loss for the period	-	-	-	-	-	-	-	(10,995)	(10,995)	(3,316)	(14,311)
Other comprehensive income:											
Exchange difference	-	-	-	-	(85)	-	-	-	(85)	-	(85)
Fair value loss on available-for-sale financial assets	-	-	(2,920)	-	-	-	-	-	(2,920)	-	(2,920)
	-	-	(2,920)	-	(85)	-	-	(10,995)	(14,000)	(3,316)	(17,316)
Balance at 30 June 2016 (Unaudited)	66,757	547	(2,920)	4,687	(435)	(43,897)	95,402	1,254	121,395	14,544	135,939

	Attributable to owners of the Company									
	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	Proposed final and special dividends HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
Balance at 1 January 2015 (Audited)	66,727	-	341	2,621	(43,897)	95,402	1,287	20,018	37,027	179,526
Exercise of share option	30	552	(341)	-	-	-	-	-	-	241
Share issue expenses	-	(5)	-	-	-	-	-	-	-	(5)
Final 2014 dividend paid (note 13)	-	-	-	-	-	-	-	(20,018)	-	(20,018)
Transactions with owners	30	547	(341)	-	-	-	-	(20,018)	-	(19,782)
Loss and total comprehensive income	-	-	-	-	-	-	-	-	(22,571)	(22,571)
Balance at 30 June 2015 (Unaudited)	66,757	547	-	2,621	(43,897)	95,402	1,287	-	14,456	137,173

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements have been prepared under historical cost convention, except for certain financial instruments that are measured at fair values. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's audit committee.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in preparing the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2015 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations. The application of the new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early adopted the new HKFRSs that have been issued but are not yet effective. The directors of the Company are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

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

	Advertising Six months ended 30 June 2016 (Unaudited) HK\$'000		Property investment Six months ended 30 June 2016 (Unaudited) HK\$'000		Consolidated Six months ended 30 June 2016 (Unaudited) HK\$'000	
	2015 (Unaudited) HK\$'000 (restated)		2015 (Unaudited) HK\$'000 (restated)		2015 (Unaudited) HK\$'000 (restated)	
Revenue						
– External sales	<u>41,835</u>	<u>31,378</u>	<u>268</u>	<u>448</u>	<u>42,103</u>	<u>31,826</u>
Reportable segment results	<u>(5,427)</u>	<u>11,857</u>	<u>47</u>	<u>191</u>	<u>(5,380)</u>	<u>12,048</u>
	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Reportable segment assets	<u>215,958</u>	<u>11,013</u>	<u>29,448</u>	<u>29,383</u>	<u>245,406</u>	<u>40,396</u>
Reportable segment liabilities	<u>145,127</u>	<u>9,895</u>	<u>143</u>	<u>20</u>	<u>145,270</u>	<u>9,915</u>

3. 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:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(restated)
Continuing operations		
Reportable segment revenue (Turnover)	42,103	31,826
Group revenue	42,103	31,826
Reportable segment results	(5,380)	12,048
Unallocated corporate income	4	1,594
Unallocated corporate expenses	(9,610)	(4,221)
Finance costs	–	(72)
(Loss)/Profit before income tax	(14,986)	9,349

Certain comparative information in the segment information for the six months ended 30 June 2015 has been restated. In prior years, executive directors identified advertising as the only reportable segment. For the six months ended 30 June 2016, 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.

During the period, 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 six months ended 30 June 2015 have been restated.

4. FINANCE COSTS

Six months ended 30 June	
2016	2015
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Continuing operations

Interest on bank borrowings, which contain a repayment on demand clause, wholly repayable within five years

–	72
<u>–</u>	<u>72</u>

5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax has been arrived at after charging/(crediting):

(Unaudited)	
Six months ended 30 June	
2016	2015
HK\$'000	HK\$'000

Continuing operations

Amortisation of prepaid land lease payments	98	73
Amortisation of other intangible assets	15,500	–
Depreciation	696	1,005
Employee benefit expense	14,861	8,885
Minimum lease payments paid under operating leases in respect of		
– Rented premises and production facilities	1,912	298
– Internet access line	79	78
Net foreign exchange (gain)/loss	(7)	300
Gain on financial assets at fair value through profit or loss	–	(163)
Interest income	(3)	(933)
	<u>(3)</u>	<u>(933)</u>

6. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax (credit)/expense charged to the condensed consolidated statement of profit and loss and other comprehensive income represents:

	(Unaudited)	
	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Continuing operations		
Hong Kong profits tax		
– Current period	447	1,524
Deferred tax		
– Current period	(1,122)	–
	<hr/>	<hr/>
Income tax (credit)/expense	(675)	1,524
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the period.

7. DISCONTINUED OPERATIONS

Disposal of CinMedia Inc (“CinMedia”) and Easking Limited (“Easking”)

On 1 June 2015, ER2 Holdings Limited (“ER2”), a substantial shareholder of the Company and Recruit (BVI) Limited (“Recruit (BVI)”), a wholly-owned subsidiary of the Company, entered into a disposal agreement (the “Disposal Agreement”), pursuant to which ER2 conditionally agreed to purchase and Recruit (BVI) conditionally agreed to sell the entire issued share capital in and the shareholders’ loan(s) of each of CinMedia Inc. (“CinMedia”) and Easking Limited (“Easking”) at an aggregate cash consideration of HK\$12,500,000 (the “Disposal”). The Disposal constituted a connected transaction and a very substantial disposal of the Company under the Listing Rules.

The operations of CinMedia and Easking represented the entire operation of the inflight magazines advertising business. The Disposal, if completed, constituted the discontinuation of the inflight magazine advertising business and is completed on 25 August 2015.

7. DISCONTINUED OPERATIONS (Continued)

Loss for the period from discontinued operation for the six months ended 30 June 2015 was analysed as follows:

	(Unaudited) HK\$'000
Turnover	133,158
Direct operating costs	(136,620)
Gross loss	(3,462)
Other income	3,106
Selling and distribution costs	(9,959)
Administrative expenses	(9,329)
Other expenses	(7,362)
Loss before income tax	(27,006)
Income tax expense	(3,390)
Loss for the period	(30,396)

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the following data:

	(Unaudited) Six months ended 30 June	
	2016 HK\$'000	2015 HK\$'000
For continuing and discontinued operations		
Loss for the purposes of basic loss per share for the period attributable to the owners of the Company	(10,995)	(22,571)
	Number of shares	
	2016 '000	2015 '000
Weighted average number of ordinary shares for the purposes of basic loss per share	333,784	333,656

Dilutive losses per share from continuing and discontinued operations are the same as basic losses per share as the impact of the exercise of share options was anti-dilutive.

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

The calculation of basic (loss)/earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	(Unaudited)	
	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
From continuing operations		
Loss for the period attributable to the owners of the Company	(10,995)	(22,571)
Less: Loss for the period from discontinued operations attributable to the owners of the Company	—	30,396
(Loss)/Earnings for the purposes of calculating basic (loss)/earnings per share from continuing operations	<u>(10,995)</u>	<u>7,825</u>

The denominators used are the same as those detailed above for both basic (loss)/earnings per share.

Dilutive (loss)/earnings per share from continuing operations are the same as basic (loss)/earnings per share as the impact of the exercise of share options was anti-dilutive.

From discontinued operations

For the six months ended 30 June 2015, basic loss per share from discontinued operations was HK9.11 cents per share and diluted loss per share from discontinued operations was HK9.11 cents, based on the loss for the period from discontinued operations attributable to owners of the Company of HK\$30,396,000 and the denominators detailed above for both basic and diluted loss per share. There is no discontinued operation for the six months ended 30 June 2016.

9. OTHER INTANGIBLE ASSETS

	Advertising agency licence rights HK\$'000
Acquisition of a subsidiary (<i>note 17</i>)	88,638
Additions	113,562
Amortisation	(15,500)
	<hr/>
Closing net book amount	186,700
	<hr/>
At 30 June 2016	
Cost	202,200
Accumulated amortisation	(15,500)
	<hr/>
Net book amount	186,700
	<hr/> <hr/>

10. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Group allows a credit period from 7 days to 120 days to its trade customers.

Ageing analysis of trade receivables as at 30 June 2016, based on invoice date and net of provisions, is as follows:

	(Unaudited) At 30 June 2016 HK\$'000	(Audited) At 31 December 2015 HK\$'000
0 – 30 days	9,577	6,356
31 – 60 days	2,975	231
61 – 90 days	2,747	39
91 – 120 days	–	4
121 – 150 days	–	3
	<hr/>	<hr/>
Total trade receivables	15,299	6,633
Other receivables and deposits	5,906	2,160
	<hr/>	<hr/>
	21,205	8,793
	<hr/> <hr/>	<hr/> <hr/>

11. TRADE AND OTHER PAYABLES

As at 30 June 2016, ageing analysis of trade payables based on invoice date is as follows:

	(Unaudited) At 30 June 2016 HK\$'000	(Audited) At 31 December 2015 HK\$'000
0 – 30 days	906	–
Total trade payables	906	–
Other payables	3,734	6,909
	4,640	6,909

12. SHARE CAPITAL

	No. of shares ('000)	HK\$'000
Authorised:		
Ordinary shares of HK\$0.20 each	500,000	100,000
Issued and fully paid:		
At 1 January 2016 and 30 June 2016	333,784	66,757

13. DIVIDENDS

Dividends and distribution attributable to the previous financial year, approved and paid during the interim period:

	(Unaudited) Six months ended 30 June 2016 HK\$'000	2015 HK\$'000
Final dividend in respect of the year ended 31 December 2014, approved and paid during the period, of HK\$0.06 per share	–	20,018

No interim dividend was declared during the six months ended 30 June 2016 and 2015.

14. CAPITAL COMMITMENTS

As at 30 June 2016, there were no capital commitment contracted but not provided for in respect of the acquisition of property, plant and equipment (31 December 2015: Nil).

15. RELATED PARTY TRANSACTIONS

(a) Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties for the six months ended 30 June 2016 are disclosed as follows:

	(Unaudited)	
	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Rental income received from a related company	<u>–</u>	<u>330</u>

In the opinion of the directors, the related party transactions were conducted in the ordinary and usual course of business and on normal commercial terms. The above related party transactions also constitute exempted connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel

The directors of the Company were considered to be key management personnel of the Group. The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

	(Unaudited)	
	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Short-term employee benefits	941	1,200
Post-employment benefit	<u>–</u>	<u>18</u>
	<u>941</u>	<u>1,218</u>

16. CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no significant contingent liabilities (31 December 2015: Nil).

17. ACQUISITION OF A SUBSIDIARY

On 1 April 2016, the Group acquired 60% equity interests of Hong Kong Made (Media) Limited, a limited liability company incorporated in Hong Kong, and the shareholders' loan of HK\$6.6 million for a cash consideration of HK\$36.6 million. The company was principally engaged in the development and operation of out-of-home advertising media in the PRC and is the exclusive advertising agent of 廣州聲煜金線廣告有限公司 ("Guangzhou Shengyu") in providing advertising agency services and related production services in respect of Guangzhou-Shenzhen Railway-China Railway High Speed under the exclusive advertising agency agreement.

Assets and liabilities arising from this acquisition were as follows:

	<i>HK\$'000</i>
Other intangible assets	88,638
Trade and other receivables	3,749
Cash and cash equivalents	2
Other payables	(4,492)
Shareholders' loans	(11,000)
Licence rights fee payables	(21,010)
Deferred tax liabilities	(11,238)
	<hr/>
Net assets acquired	44,649
Less: Non-controlling interests	(17,860)
	<hr/>
	26,789
Assignment of shareholders' loans	6,600
Goodwill	3,211
	<hr/>
Total cash consideration	36,600
	<hr/> <hr/>
Purchase consideration settled in cash	36,600
Cash and cash equivalents acquired	(2)
	<hr/>
Cash outflow on acquisition of a subsidiary	36,598
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Train Media

On 29 January 2016, the Company's wholly owned subsidiary, Full Moon Global Limited (the "Purchaser"), entered into a sale and purchase agreement ("SPA") with Silver Golden Limited and Mr. Sui Chok Lee (the "Vendors"), where the Purchaser agreed to purchase and the Vendors agreed to sell 60% shareholdings in Hong Kong Made (Media) Limited ("Hong Kong Made") for HK\$30,000,000, together with an assignment of shareholders' loan of HK\$6,600,000, with a total of HK\$36,600,000. According to the SPA, Ms. Chau Lan Sze, the sole beneficial owner of Silver Golden Limited, together with the Vendors, warranted the Purchaser that the audited net profit after taxation of Hong Kong Made for each of the year ending on 31 March 2017 (the "2016 Profits") and 31 March 2018 (the "2017 Profits") should be at least HK\$5,000,000. The consideration of the transaction was fully settled by cash and was completed on 1 April 2016.

Hong Kong Made is the exclusive advertising agent of Guangzhou Shengyu in providing advertising agency services and related production services in respect of 20 trains of Guangzhou-Shenzhen Railway-China Railway High Speed (廣深線和諧號) under the exclusive advertising agency agreement entered into between Hong Kong Made and Shengyu on 24 June 2014. According to the agreement, Hong Kong Made can place advertisements for its customer at display boards, LED displays at both ends of the compartments and outside the train, both side of the train doors, tray tables and head rests. In April 2016, another exclusive agreement has been entered into to extend the exclusive rights to the train body of the China Railway High Speed and the number of High Speed rails to 22 trains. As at 30 June 2016, 11 trains of all of the advertising space has been utilized.

From the date of completion of acquisition of Hong Kong Made (i.e., 1 April 2016) to the end of the period, Hong Kong Made recorded revenue of approximately HK\$14,222,000 and loss of approximately HK\$6,968,000.

Recruit Magazine and website

Turnover for the recruitment advertising business registered a 12% decrease from HK\$31.4 million in the first half of 2015 to HK\$27.6 million in the first half of 2016. The revenue from placing print advertisements in the "Recruit" and "Like" magazines suffered a double digit drop. The Recruit.com.hk job board unit also recorded a decline in revenue due to the downturn of the local recruitment advertising market. The recruitment advertising market is challenging during the reporting period. The decline in retail business in Hong Kong causes adverse impact on the recruitment advertising business turnover.

Investment property

Due to the cool down of economy in Hong Kong, the office rental has shown a downward trend. As a majority of the units held by the Group were surrendered near the end of last year that it took several months to source new tenants with condition that monthly rental was adjusted downward. In this regard, rental income for the period ended 30 June 2016 decreased to approximately HK\$268,000, compared with the same period last year's approximately HK\$448,000.

PROSPECTS

Train Media

Guangzhou-Shenzhen Railway-China Railway High Speed travels more than 100 times a day, representing placing advertisement at the railway is exposed to with tens of millions of passengers per year. This is one of the more effective and powerful mass media for those who have targeted their business in Southern China. It is understood that the train media business for the current year may develop a bit slowly than expected as many company's budgets for advertising were planned and have been spent and the economic condition in both Hong Kong and China is not as optimistic as previous years. Nevertheless, management believes that the business has a strong potential for further advancement, even in the midst of economic downturn.

Recruit magazine and website

To maintain our competitive edge in the declining recruitment advertising market, Recruit continues to hold a number of job fairs and roundtable human resources conferences.

Property Investment

Although rental income becomes less lucrative, the tenancy agreements have been entered into during the period, with a term of two to three years, the Group's rental income would be secured and certain.

Moreover, the Company will continue to seek and identify attractive investment opportunities, so as to enhance profitability and maximize our shareholders value.

FINANCIAL REVIEW

For the six months ended 30 June 2016, turnover from Recruit Magazine advertising business, was approximately HK\$27.6 million, representing a decrease of 12% (2015: HK\$31.4 million). The decrease in turnover was mainly attributable to the downturn in the recruitment market in the first half of the year. Gross profit margin decreased from 74% to 71% due to higher cost mix of printing cost and production staff cost. Together with the revenue contributed by Train Media amounting to approximately HK\$14,222,000 and rental income, the Group recorded a revenue of approximately HK\$42.1 million.

Selling and distribution expenses increased from approximately HK\$8.2 million in the first half of 2015 to HK\$8.9 million in the first half of 2016. More job fairs were held in the first half of 2016 compared with the same period in 2015.

Other expenses, which mainly represented bad debt provision made during the period, maintained at HK\$0.1 million.

For the six months ended 30 June 2016, the Company recorded a non-cash share option expense of approximately HK\$4.7 million attributable to the grant of 6,660,000 share options at exercise price of HK\$1.99 each on 5 April 2016. For details of the grant of share options, please refer to the “Share Option Scheme” Section below. Moreover, the Group recorded approximately HK\$15.5 million of non-cash amortisation expenses in relation to the amortisation of other intangible assets relating to exclusive advertising licenses of both the train body and train compartments of 22 Guangzhou-Shenzhen Railway-China Railway High Speed trains.

Income tax credit of HK\$675,000 (2015: income tax expense of HK\$1.5 million), was due to the deferred tax impact on the amortisation of other intangible asset during the period.

As a result of the above, for the six months ended 30 June 2016, the Group recorded a net loss of approximately HK\$14.3 million, compared with a loss of approximately HK\$22.6 million for the same period last year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, the Group had net current liabilities of approximately HK\$19.1 million (31 December 2015: net current assets of HK\$92 million). The Group’s current ratio was approximately 0.63 (31 December 2015: 9.36) while the Group’s net assets was approximately HK\$136 million compared with those of approximately HK\$131 million as at 31 December 2015. Total cash and bank deposits was approximately HK\$8.3 million (31 December 2015: HK\$90.9 million).

As at 30 June 2016, the Company had securities investments classified as available-for-sale financial assets with market value of approximately HK\$36.3 million (31 December 2015: nil).

The Group generally finance its operations with internally generated cashflow. The Group did not have any bank borrowings as at 30 June 2016.

The Group adopts centralized financing and treasury policies in order to ensure the group funding is utilized efficiently. Conservative approach is adopted on monitoring interest rate risk. The Group does not have material exposure to currency risk as most of the Group’s transactions are carried out in HK\$ and RMB, which is the functional currency of the corresponding group entities.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITY

As at 30 June 2016, the Group had no significant capital commitments (31 December 2015: Nil). The Group had no significant contingent liabilities as at 30 June 2016.

OTHER DISCLOSURES

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2016, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

Long Position in the shares of the Company

Name of Directors	Personal Interests (Shares)	Corporate Interests (Shares)	Percentage to the issued share capital of the Company (%)
Mr. Liu Gary Wei (<i>note</i>)	–	59,868,828	17.94

Note: The interest is held by Polaris Investment Management Limited, a company wholly owned by Mr. Liu.

Saved as disclosed above, as at 30 June 2016, to the knowledge of the Company, none of the directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company has adopted a share option scheme approved by a resolution passed by the shareholders of the Company on 29 December 2015, under which it may grant options to directors, employees, any advisors and service providers of any member of the Group to subscribe for shares in the Company.

On 5 April 2016, 3,330,000 share options have been granted to each of Mr. Tsang Hing Bun, executive Director and Mr. Yiu Yu Cheung, Non-executive Director at the exercise price of HK\$1.99 each. The closing price of the Company's share immediately before the date on which the options were granted is HK\$2.05 per share. The share options are exercisable for three years from the date of grant. Each share option is convertible to one share of the Company. Save as disclosed above, as at 30 June 2016, no share options have been granted, exercised, lapsed or cancelled.

The fair value of the options granted on 5 April 2016, measured at the date of grant, was approximately HK\$4,687,000. The following significant assumptions were used to derive the fair values, using the Binomial Option Pricing Model:

Risk-free rate:	1.09%
Expected life:	3 years
Expected volatility:	65.99%
Expected dividend yield and forfeiture rate:	0%

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, so far as was known to the directors and chief executive of the Company the following persons (other than a director or chief executive of the Company) had or were deemed to have, interests or short positions in the shares or underlying shares of the Company being 5% or more in the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Number of shares	Percentage to the issued share capital of the Company %
Upsky Global Limited (<i>Note 1</i>)	95,037,657	28.47
Chen Jiarong (<i>Note 1</i>)	95,037,657	28.47
Polaris Investment Management Limited (<i>Note 2</i>)	59,868,828	17.94
Gary Liu Wei (<i>Note 2</i>)	59,868,828	17.94

Notes:

1. Upsky Global Limited is wholly owned by Mr. Chen Jiarong.
2. Polaris Investment Management Limited is wholly owned by Mr. Gary Liu Wei, who is the executive Director.

Save as disclosed above, as at 30 June 2016, the Company had not been notified of any other person (other than a director or chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company and was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code Provision") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2016.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code 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 set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 June 2016.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2016, the Group had 53 full-time employees (30 June 2015: 103). 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 employee benefits include provident fund, insurance and medical cover. Share options was granted to certain full-time employees and directors pursuant to the Company's share option scheme.

AUDIT COMMITTEE

The audit committee has four members comprising one non-executive Director, Mr. Yiu Yu Cheung and three independent non-executive directors, namely, Mr. Leung Siu Kee (Chairperson), Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex, with terms of reference in compliance with the Listing Rules. The audit committee review the Group's financial reporting, internal controls and make relevant recommendations to the Board.

The audit committee have reviewed the Company's interim report for the six months ended 30 June 2016 and are in the opinion that such report has complied with the applicable accounting standards and adequate disclosures have been made.

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

Hong Kong, 31 August 2016

As at the date of this announcement, the Board comprises Mr. Liu Gary Wei 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. Chan Chiu Hung, Alex as Independent Non-Executive Directors.