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 2012

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 2012, together with the comparative figures for the year ended 31 December 2011 as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
Turnover	3	1,526,041	1,425,492
Direct operating costs		(1,125,083)	(1,076,341)
Gross profit		400,958	349,151
Other revenue and net income	5	35,943	41,557
Selling and distribution costs		(117,739)	(108,577)
Administrative expenses		(52,432)	(53,771)
Other expenses		(13,077)	(11,077)
Finance costs	6	(2,528)	(2,507)
Profit before income tax	7	251,125	214,776
Income tax expense	8	(62,207)	(22,836)
Profit for the year		188,918	191,940
Other comprehensive income			
Exchange gain on translation of financial statements of foreign operations		73	357
Other comprehensive income for the year, net of tax		73	357
Total comprehensive income for the year		188,991	192,297

* *For identification purpose only*

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2012 (Continued)

	Notes	2012 HK$'000	2011 HK$'000
Profit for the year attributable to:			
Owners of the Company		161,732	173,842
Non-controlling interests		27,186	18,098
		188,918	191,940
Total comprehensive income attributable to:			
Owners of the Company		161,896	174,121
Non-controlling interests		27,095	18,176
		188,991	192,297
Earnings per share for profit attributable to owners of the Company during the year	10		
Basic		HK49.84 cents	HK54.74 cents
Diluted		HK49.46 cents	HK54.04 cents

Consolidated Statement of Financial Position
As at 31 December 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	219,404	229,758
Prepaid land lease payments	12	5,848	5,944
Interests in associate		-	-
Intangible assets	13	66,487	9,614
Deferred tax assets		3,803	-
		295,542	245,316
Current assets			
Inventories	14	73,523	63,874
Trade and other receivables and deposits	15	517,167	425,842
Financial assets at fair value through profit or loss	16	870	2,572
Advances to associate		-	-
Taxes recoverables		-	666
Pledged cash and bank balances		7,297	-
Cash and cash equivalents		442,982	407,252
		1,041,839	900,206
Current liabilities			
Trade and other payables	17	289,277	185,670
Financial liabilities at fair value through profit or loss	18	718	-
Bank borrowings	19	118,297	133,901
Finance lease liabilities	20	6,227	6,060
Provision for taxation		60,591	21,408
		475,110	347,039
Net current assets		566,729	553,167
Total assets less current liabilities		862,271	798,483
Non-current liabilities			
Finance lease liabilities	20	526	6,750
Other payables		32,000	-
Deferred tax liabilities		15,940	13,454
		48,466	20,204
Net assets		813,805	778,279
EQUITY			
Share capital		65,632	64,118
Reserves		566,820	549,898
Equity attributable to owners of the Company		632,452	614,016
Non-controlling interests		181,353	164,263
Total equity		813,805	778,279

Consolidated Statement of Changes in Equity
For the year ended 31 December 2012

	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	Proposed final and special dividends HK$'000	Retained earnings HK$'000	Total HK$'000	HK$'000	HK$'000
Balance at 1 January 2011	62,113	84,941	3,947	(312)	(43,897)	2,371	1,855	979	31,057	352,461	495,515	53,476	548,991
Equity-settled share-based payment expense	-	-	2,554	-	-	-	-	-	-	-	2,554	-	2,554
Exercise of share options	2,005	10,479	(2,194)	-	-	-	-	-	-	-	10,290	-	10,290
Share issue expenses	-	(24)	-	-	-	-	-	-	-	-	(24)	-	(24)
Share options lapsed	-	-	(161)	-	-	-	-	-	-	161	-	-	-
Final and special 2010 dividends paid (Note 9)	-	-	-	-	-	-	-	-	(31,057)	(714)	(31,771)	-	(31,771)
Interim 2011 dividend paid (Note 9)	-	-	-	-	-	-	-	-	-	(19,218)	(19,218)	-	(19,218)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,008)	(8,008)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	78,388	78,388
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	780	780
Loss on disposal of interests in a subsidiary	-	-	-	-	-	-	-	(2,018)	-	-	(2,018)	6,018	4,000
Loss on dilution of interests in a subsidiary	-	-	-	-	-	-	-	(15,433)	-	-	(15,433)	15,433	-
Transactions with owners	2,005	10,455	199	-	-	-	-	(17,451)	(31,057)	(19,771)	(55,620)	92,611	36,991
Profit for the year	-	-	-	-	-	-	-	-	-	173,842	173,842	18,098	191,940
Other comprehensive income													
Currency translation	-	-	-	279	-	-	-	-	-	-	279	78	357
Total comprehensive income for the year	-	-	-	279	-	-	-	-	-	173,842	174,121	18,176	192,297
Proposed final and special 2011 dividends (Note 9)	-	-	-	-	-	-	-	-	128,284	(128,284)	-	-	-
Appropriation to statutory reserves	-	-	-	-	-	-	234	-	-	(234)	-	-	-
Balance at 31 December 2011	64,118	95,396	4,146	(33)	(43,897)	2,371	2,089	(16,472)	128,284	378,014	614,016	164,263	778,279

Consolidated Statement of Changes in Equity
For the year ended 31 December 2012 (Continued)

	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	Proposed final and special dividends HK$'000	Retained earnings HK$'000	Total HK$'000	HK$'000	HK$'000
Balance at 1 January 2012	64,118	95,396	4,146	(33)	(43,897)	2,371	2,089	(16,472)	128,284	378,014	614,016	164,263	778,279
Equity-settled share-based payment expense	-	-	740	-	-	-	-	-	-	-	740	-	740
Exercise of share options	1,514	12,883	(2,720)	-	-	-	-	-	-	-	11,677	-	11,677
Share issue expenses	-	(41)	-	-	-	-	-	-	-	-	(41)	-	(41)
Share options lapsed	-	-	(43)	-	-	-	-	-	-	43	-	-	-
Final and special 2011 dividends paid (Note 9)	-	-	-	-	-	-	-	-	(128,284)	(1,361)	(129,645)	-	(129,645)
Interim 2012 dividend paid (Note 9)	-	-	-	-	-	-	-	-	-	(26,191)	(26,191)	-	(26,191)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,005)	(10,005)
Transactions with owners	1,514	12,842	(2,023)	-	-	-	-	-	(128,284)	(27,509)	(143,460)	(10,005)	(153,465)
Profit for the year	-	-	-	-	-	-	-	-	-	161,732	161,732	27,186	188,918
Other comprehensive income													
Currency translation	-	-	-	164	-	-	-	-	-	-	164	(91)	73
Total comprehensive income for the year	-	-	-	164	-	-	-	-	-	161,732	161,896	27,095	188,991
Proposed final and special 2012 dividends (Note 9)	-	-	-	-	-	-	-	-	98,589	(98,589)	-	-	-
Appropriation to statutory reserves	-	-	-	-	-	-	252	-	-	(252)	-	-	-
Balance at 31 December 2012	65,632	108,238	2,123	131	(43,897)	2,371	2,341	(16,472)	98,589	413,396	632,452	181,353	813,805

Consolidated Statement of Changes in Equity
For the year ended 31 December 2012 (Continued)

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.

Other reserve of the Group represented (1) the difference between the fair value of consideration paid to acquire additional interest in 1010 Group Limited and the amount of adjustment to non-controlling interests and (2) the difference between the fair value of consideration received on dilution of interests in 1010 Printing Group Limited and the amount of adjustment to non-controlling interests.

In accordance with relevant regulations prevailing in the People's Republic of China ("the PRC"), the Company's certain 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 2012, the Company's ultimate holding company is ER2 Holdings Limited which was incorporated in Hong Kong and the Company's immediate holding company is City Apex Limited, which was incorporated in the British Virgin Islands.

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. Except as explained below, the adoption of these amended HKFRSs did not result in material changes to the Group's accounting policies.

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

New/amended HKFRSs that have been issued but are not yet effective

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 of the Company (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.

2. Adoption of new or amended HKFRSs (Continued)

New/amended HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKAS 1 (Revised) - Presentation of Items of Other Comprehensive Income
This standard is effective for accounting periods beginning on or after 1 July 2012. The amendments change the disclosure of items presented in other comprehensive income in the statement of comprehensive income and require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. Entities that choose to present other comprehensive income items before tax will be required to show the amount of tax related to the two groups separately. The title used by HKAS 1 for the statement of comprehensive income has changed to "Statement of profit or loss and other comprehensive income". However, HKAS 1 permits entities to use other titles.

HKFRS 9 Financial instruments
This standard is effective for accounting periods beginning on or after 1 January 2015. Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that 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 de-recognition of financial assets and financial liabilities.

HKFRS 10 Consolidated Financial Statements
This standard is effective for accounting periods beginning on or after 1 January 2013. HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor.

An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

3. Turnover

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

	2012 HK$’000	2011 HK$’000
Advertising income	825,976	785,390
Printing income	700,065	640,102
	1,526,041	1,425,492

4. Segment information

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

	Advertising		Printing		Investment		Consolidated	
	2012 HK$’000	2011 HK$’000	2012 HK$’000	2011 HK$’000	2012 HK$’000	2011 HK$’000	2012 HK$’000	2011 HK$’000
Revenue								
- External sales	825,976	785,390	700,065	640,102	-	-	1,526,041	1,425,492
Reportable segment profit/(loss)	177,619	157,712	84,094	75,659	312	(1,453)	262,025	231,918
Amortisation of prepaid land lease payments	143	139	-	-	-	-	143	139
Bank interest income	2,393	1,338	110	116	-	-	2,503	1,454
Depreciation	1,516	1,638	30,483	27,739	-	-	31,999	29,377
(Loss)/Gain on disposals of property, plant and equipment	(25)	-	77	(436)	-	-	52	(436)
(Loss)/Gain on financial assets/liabilities at fair value through profit or loss	-	-	(1,682)	1,370	257	(1,530)	(1,425)	(160)
Impairment of trade receivables	5,457	3,533	7,620	1,267	-	-	13,077	4,800
Write-down of inventories	-	-	4,896	-	-	-	4,896	-
Reportable segment assets	222,792	292,868	856,621	640,990	4,967	6,658	1,084,380	940,516
Additions to non-current segment assets during the year	517	317	21,932	40,967	-	-	22,449	41,284
Reportable segment liabilities	69,198	99,656	254,153	85,530	20	20	323,371	185,206

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:

	2012 HK$'000	2011 HK$'000
Reportable segment revenue	1,526,041	1,425,492
Other revenue	24,515	26,262
Group revenue	1,550,556	1,451,754
Reportable segment profit	262,025	231,918
Unallocated corporate income	2,471	1,270
Equity-settled share-based payment	(740)	(2,554)
Unallocated corporate expenses	(10,103)	(13,351)
Finance costs	(2,528)	(2,507)
Profit before income tax	251,125	214,776
Reportable segment assets	1,084,380	940,516
Interests in associate	-	-
Deferred tax assets	3,803	-
Other corporate assets	249,198	205,006
Group assets	1,337,381	1,145,522
Reportable segment liabilities	323,371	185,206
Other corporate liabilities	65,968	34,682
Deferred tax liabilities	15,940	13,454
Borrowings	118,297	133,901
Group liabilities	523,576	367,243

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

	Revenue from external customers		Non-current assets	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
PRC	728,775	698,707	205,638	213,492
United States of America	289,390	233,504	92	111
United Kingdom	160,140	141,295	13	15
Australia	135,951	160,198	42	48
Hong Kong (domicile)	111,449	92,634	89,715	31,550
Germany	36,328	29,820	-	-
New Zealand	19,227	18,393	-	-
Others	44,781	50,941	42	100
	1,526,041	1,425,492	295,542	245,316

Sales by geographical markets are analysed based on the location of customers and the geographical location of non-current assets is based on (1) the physical location of the assets (for property, plant and equipment and prepaid land lease payments) and (2) location of operations (for intangible assets).

5. Other revenue and net income

	2012 HK$'000	2011 HK$'000
Sales of scrapped paper and by-products	19,424	23,846
Interest income	5,039	2,299
Net foreign exchange gain	4,773	8,814
Impairment of trade receivables written back	1,970	4,039
Gain on disposals of property, plant and equipment	52	-
Dividend income from listed equity securities	52	117
Sundry income	4,633	2,442
	35,943	41,557

6. Finance costs

	2012 HK$'000	2011 HK$'000
Interest charges on bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	2,252	2,081
Interest charges on other bank borrowings, wholly repayable within five years	-	4
Finance lease charges	276	422
	2,528	2,507

7. Profit before income tax

	2012 HK$'000	2011 HK$'000
Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	143	139
Auditor's remuneration	1,662	1,394
Cost of inventories recognised as an expense	377,615	338,742
Write down of inventories	4,896	-
Reversal of write-down of inventories	(2,900)	-
Depreciation (Note):		
- Owned assets	31,824	27,127
- Leased assets	644	2,564
Employee benefit expense	148,873	81,545
Impairment of trade receivables	13,077	4,800
Loss on disposals of property, plant and equipment	-	436
Minimum lease payments paid under operating leases in respect of:		
- Rented premises and production facilities	13,911	12,855
- Internet access line	328	314
Losses on financial assets/liabilities at fair value through profit or loss	1,425	160

Auditor's remuneration for other services paid during the year is HK$150,000 (2011: HK$642,000).

Note: Depreciation charges of HK$27,974,000 (2011: HK$25,524,000) and HK$4,494,000 (2011: HK$4,167,000) have been included in direct operating costs and administrative expenses respectively.

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 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.

	2012 HK$'000	2011 HK$'000
Hong Kong profits tax		
Current year	31,895	9,484
(Over)/Under provision in prior years	(230)	204
	31,665	9,688
Overseas tax		
Current year	31,174	10,965
(Over)/Under provision in prior years	(79)	110
	31,095	11,075
Deferred tax		
Current year	(553)	2,073
	62,207	22,836

9. Dividends

(a) Dividends attributable to the year:

	2012 HK$'000	2011 HK$'000
Interim dividend of HK$0.08 (2011: HK$0.06) per share	26,191	19,218
Proposed final dividend of HK$0.2 (2011: HK$0.2) per share	65,726	64,142
Proposed special dividend of HK$0.1 (2011: HK$0.2) per share	32,863	64,142
	124,780	147,502

Final and special dividends proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained earnings for the years ended 31 December 2012 and 2011 to proposed final and special dividends reserve.

The proposed final and special dividends are to be distributed subsequent to the reporting date and are subject to the approval of the Company's equity holders in the forthcoming annual general meeting.

9. Dividends (Continued)

(b) Dividends approved and paid during the year:

	2012 HK$'000	2011 HK$'000
Interim dividend of HK$0.08 (2011 : HK$0.06) per share	26,191	19,218
Final dividend of HK$0.2 (2011: HK$0.065) per share in respect of the previous financial year	64,142	20,187
Additional final dividend in previous financial year	1,361	714
Special dividend of HK$0.2 (2011: HK$0.035) per share in respect of the previous financial year	64,142	10,870
	155,836	50,989

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	2012 HK$'000	2011 HK$'000
Profit attributable to owners of the Company	161,732	173,842

	Number of shares 2012 '000	 2011 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	324,506	317,603
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	2,467	4,068
Weight average number of ordinary shares for the purpose of diluted earnings per share	326,973	321,671

11. 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 systems HK$'000	Motor vehicles HK$'000	Machinery HK$'000	Total HK$'000
At 1 January 2011								
Cost	3,029	4,723	4,289	42,005	35,436	1,646	217,831	308,959
Accumulated depreciation	(86)	(2,768)	(2,556)	(18,083)	(28,664)	(535)	(49,275)	(101,967)
Net book amount	2,943	1,955	1,733	23,922	6,772	1,111	168,556	206,992
Year ended 31 December 2011								
Opening net book amount	2,943	1,955	1,733	23,922	6,772	1,111	168,556	206,992
Exchange differences	123	6	1	7	3	7	(3)	144
Additions	5,790	308	737	1,563	584	538	32,416	41,936
Acquisition of subsidiaries	10,800	278	-	138	262	10	-	11,488
Disposals	-	(5)	-	(2)	(4)	-	(1,100)	(1,111)
Depreciation	(171)	(675)	(661)	(4,753)	(3,258)	(325)	(19,848)	(29,691)
Closing net book amount	19,485	1,867	1,810	20,875	4,359	1,341	180,021	229,758
At 31 December 2011								
Cost	19,748	5,299	5,027	43,716	36,215	2,206	248,837	361,048
Accumulated depreciation	(263)	(3,432)	(3,217)	(22,841)	(31,856)	(865)	(68,816)	(131,290)
Net book amount	19,485	1,867	1,810	20,875	4,359	1,341	180,021	229,758
Year ended 31 December 2012								
Opening net book amount	19,485	1,867	1,810	20,875	4,359	1,341	180,021	229,758
Exchange differences	25	1	5	2	5	1	61	100
Additions	-	419	701	1,590	1,092	-	19,539	23,341
Acquisition of subsidiaries (Note 21)	-	56	18	1	97	14	-	186
Disposals	-	(20)	(10)	(6)	-	-	(1,439)	(1,475)
Disposal of a subsidiary	-	(4)	(29)	-	(5)	-	-	(38)
Depreciation	(519)	(753)	(742)	(4,939)	(3,114)	(391)	(22,010)	(32,468)
Closing net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
At 31 December 2012								
Cost	19,775	5,703	5,707	44,882	37,287	2,226	266,950	382,530
Accumulated depreciation	(784)	(4,137)	(3,954)	(27,359)	(34,853)	(1,261)	(90,778)	(163,126)
Net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404

Net book amount of property, plant and equipment as at 31 December 2012 includes the net carrying amount of HK$20,876,000 (2011: HK$21,520,000) held under finance leases.

As at 31 December 2012, the Group's leasehold land and buildings were situated in the PRC and Hong Kong and were held under medium-term leases.

As at 31 December 2012, certain of the Group's leasehold land and buildings with net book amount of HK$16,042,000 (2011: Nil) were pledged to secure general banking facilities granted to the Group and certain of the Group's property, plant and equipment with net book amount of HK$186,000 (2011: Nil) were collateralised against the banking facilities granted to the Group.

12. Prepaid land lease payments

	2012 HK$'000	2011 HK$'000
At 1 January		
Cost	6,264	6,007
Accumulated amortisation	(320)	(170)
Net book amount	5,944	5,837
Opening net book amount	5,944	5,837
Exchange differences	47	246
Amortisation	(143)	(139)
Closing net book amount	5,848	5,944
At 31 December		
Cost	6,315	6,264
Accumulated amortisation	(467)	(320)
Net book amount	5,848	5,944

As at 31 December 2012, the Group's prepaid land lease payments represented up-front payments to acquire an interest in the usage of land situated in the PRC, which was held under a medium-term lease.

13. Intangible assets

	Goodwill HK$'000	Non competition covenants HK$'000	Total HK$'000
At 1 January 2011			
Gross carrying amount	14,119	-	14,119
Accumulated impairment	(14,119)	-	(14,119)
Net carrying amount	-	-	-
Net carrying amount as at 1 January 2011	-	-	-
Acquired through business combination	9,614	-	9,614
Net carrying amount at 31 December 2011	9,614	-	9,614
At 31 December 2011			
Gross carrying amount	23,733	-	23,733
Accumulated impairment	(14,119)	-	(14,119)
Net carrying amount	9,614	-	9,614
Net carrying amount as at 1 January 2012	9,614	-	9,614
Acquired through business combination (Note 21)	56,132	741	56,873
Net carrying amount at 31 December 2012	65,746	741	66,487
At 31 December 2012			
Gross carrying amount	79,865	741	80,606
Accumulated impairment	(14,119)	-	(14,119)
Net carrying amount	65,746	741	66,487

14. Inventories

	2012 HK$'000	2011 HK$'000
Raw materials	55,209	46,265
Work-in-progress	23,002	20,256
Finished goods	1,290	1,335
	79,501	67,856
Less : Provision for net realisable value	(5,978)	(3,982)
	73,523	63,874

15. Trade and other receivables and deposits

Ageing analysis of trade receivables, net of provision as at 31 December 2012, based on the invoice date, is as follows:

	2012 HK$'000	2011 HK$'000
0 - 30 days	108,386	81,643
31 - 60 days	96,945	65,606
61 - 90 days	73,981	33,885
91 - 120 days	73,309	50,789
121 - 150 days	67,497	39,129
Over 150 days	55,299	39,635
Total trade receivables	475,417	310,687
Other receivables and deposits	41,750	115,155
	517,167	425,842

The Group allows a credit period from 7 to 180 days (2011: 7 to 180 days) to its customers.

16. Financial assets at fair value through profit or loss

	2012 HK$'000	2011 HK$'000
Held for trading		
Equity securities, listed in Hong Kong	870	1,549
Forward foreign exchange contracts	-	1,023
Fair value	870	2,572

17. Trade and other payables

As at 31 December 2012, ageing analysis of trade payables based on invoice date is as follows:

	2012 HK$'000	2011 HK$'000
0 – 30 days	51,345	41,644
31 – 60 days	34,716	22,991
61 – 90 days	25,325	14,887
91 – 120 days	8,595	8,016
Over 120 days	18,473	15,748
	138,454	103,286
Other payables and accruals	150,823	82,384
	289,277	185,670

Credit terms granted by suppliers are 30 days to 90 days save for the net balance payable to a major business partner of the Group that will be settled on a half yearly (2011 : half yearly) basis according to the terms of an agreement signed with this business partner.

18. Financial liabilities at fair value through profit or loss

This related to forward foreign exchange contracts which were considered by management as part of economic hedging arrangements but had not been formally designated as hedges in accordance with HKAS 39. These foreign exchange contracts were stated at fair value.

19. Bank borrowings

	2012 HK$'000	2011 HK$'000
Current portion		
- Bank loans due for repayment within one year	24,636	47,824
- Bank loans due for repayment after one year which contain a repayment on demand clause	93,661	86,077
Total bank borrowings	118,297	133,901

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

	2012 HK$'000	2011 HK$'000
Within one year	50,440	82,684
In the second year	25,804	26,936
In the third to fifth year	37,873	24,281
Wholly repayable within 5 years	114,117	133,901
Over five years	4,180	-
	118,297	133,901

20. Finance lease liabilities

The analysis of the Group's obligations under finance leases is as follows:

	2012 HK$'000	2011 HK$'000
Total minimum lease payments :		
Due within one year	6,335	6,326
Due in the second to fifth years	527	6,854
	6,862	13,180
Future finance charges on finance leases	(109)	(370)
Present value of finance lease liabilities	6,753	12,810
Present value of minimum lease payments :		
Due within one year	6,227	6,060
Due in the second to fifth years	526	6,750
	6,753	12,810
Less : Portion due within one year included under current liabilities	(6,227)	(6,060)
Non-current portion included under non-current liabilities	526	6,750

The Group entered into finance leases for various items of machineries. These leases run for initial periods of four years (2011: three to five years). These leases do not have options to renew or any contingent rental provisions.

Finance lease liabilities are effectively secured by the underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

21. Business Combination

On 12 December 2012, the Group entered into the share transfer agreement with independent third parties to acquire the entire issued share capital of Asia Pacific Offset Limited ("APOL") at a consideration of HK$160 million. APOL is engaged in the business of printing, binding, colour separation and other printed and non-printed books, magazines and other printed material. The acquisition of this company allowed the Group to broaden its clientele base in the Europe and the United States of America.

The acquisition was completed on 28 December 2012. On 28 December 2012, the Group owned 93.33% equity interest in APOL whilst the remaining equity interest in APOL will be transferred to the Group on 28 December 2013. According to the share transfer agreement, the Group has already obtained all the rights for the entire equity interest of APOL (including the right to all dividends declared) since 28 December 2012. Goodwill of HK$56,132,000 arose on the acquisition of APOL, reflecting the benefits of revenue growth and future market development of APOL contributed to the Group's existing printing services. An amount of HK$100 million was paid during the year whilst the remaining considerations of HK$28 million and HK$32 million are repayable on 28 February 2013 and 28 December 2014 respectively.

21. Business Combination (Continued)

Details of net assets acquired were as follows:

	HK$'000
Purchase consideration – cash paid	100,000
Other payables (included in trade and other payables under current liabilities)	28,000
Other payable (under non-current liabilities)	32,000
Fair value of net assets acquired (see below)	(103,868)
Goodwill (Note 13)	56,132
Purchase consideration settled in cash	(100,000)
Cash and cash equivalents acquired	4,298
Cash outflow on acquisition of subsidiaries	(95,702)

Assets and liabilities arising from this acquisition were as follows:

	Fair value HK$'000	Acquiree's carrying amount HK$'000
Property, plant and equipment	186	186
Intangible assets – non competition covenants	741	-
Deferred tax assets	886	886
Inventories	11,444	11,444
Trade and other receivables	153,165	153,165
Cash and cash equivalents	4,298	4,298
Trade and other payables	(56,950)	(56,950)
Bank borrowings	(12)	(12)
Provision for taxation	(9,768)	(9,768)
Deferred tax liabilities	(122)	-
Net assets acquired	103,868	103,249

CHAIRMAN'S STATEMENT

Dear shareholders,

On the heels of success in the previous year, the Group turned in record operating profits in 2012 which, marred by higher provisions for income and dividend tax, resulted in a slight decline in net profits after tax attributable to owners of the Company of 7%. Our return on sales still stands at a remarkable 12 % and this was achieved under harsh and turbulent business conditions so we could hardly complain.

The Inflight Magazine business unit had another stellar year when all three mainland airline contracts achieved spectacular results while our agency for Taiwan-based China Airlines also registered higher profit contributions. In an earlier announcement, alert shareholders would have noted that our contract with Air China expired at the end of December 2012 and we were grossly disappointed when they decided to turn that business in-house and not appoint an exclusive agent to handle the sales of advertisements. This marks the first time in history that we have been unable to renew an agency contract. Rather than agonize over the turn of events, management is actively seeking alternative business opportunities to replenish the loss in revenue. To-date, we have already secured new contracts with airline in Asia but more progress is needed for the business to return to the level we have enjoyed in recent years.

The Recruit Magazine/website business had a stable and rewarding year, despite continuous erosion in pricing when advertisers migrate to cheaper and increasingly popular channels such as internet web sites.

1010 Printing Group, our 60% owned subsidiary and a leader in book printing in the world had a fruitful and eventful year in 2012. One major challenge was to manage payment issues with a number of medium-sized customers and cope with changes in ownership/management among some of our key clients. To the credit of the 1010 management, we handled it well and achieved record operating and net profits. The addition of Asia Pacific Offset Limited ("APOL"), a leader in print management, at year-end, ushers in a new era. APOL is a game changer for 1010 and paves the way for its becoming a global leader in print management services. We now operate offices directly or through exclusive sales agents in 15 cities in the world, including Beijing, Guangzhou, Shanghai, Yuanzhou, Shenzhen, Hong Kong, London, Brisbane, Sydney, Auckland, New York, Washington DC, San Francisco, Auckland and Barcelona. Reflecting on our splendid performance, we are extremely grateful to our hardworking staff for their wonderful contributions in the past year.

Wan Siu Kau
Chairman
Hong Kong, 21 February 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Advertising Business

Inflight magazine
Our inflight magazine business achieved record operating profits in 2012. However, net profits after tax was weighed down by higher provisions for income tax and dividend tax in China.

Against a strong field of international competitors, Cinderella succeeded in renewing our exclusive sales/publishing contract with Taiwan-based China Airlines. The new contract carries a two-year fixed term with an option to renew for another year.

In November, 2012, Air China informed us of their decision to take over the advertisements for the inflight magazine themselves. This dealt a rather severe blow to our ambitious growth plans as the Air China contract was a significant one among our three agency contracts with mainland airlines (China Eastern Airlines and China Southern being the other two). In an effort to salvage the contract, Cinderella submitted a very aggressive proposal to Air China but to no avail. With hind sight, the decision by Air China was a strategic move and not a reflection of Cinderella's performance. In appreciation of our contributions in the past three years, Cinderella was appointed by Air China to continue to serve as an advertising sales agent, albeit on a non-exclusive basis.

The loss of the Air China contract presents a major challenge to Cinderella's management. We immediately responded by accelerating our efforts to acquire other exclusive advertising sales contracts and won advertising sales/magazines production contracts with Hong Kong Airlines and DFASS (Singapore) Pte Limited. It is evident, however, that profits generated from the new contracts will not be enough to match contributions from the Air China contract. Management is of course unfazed and is actively exploring other opportunities, through both organic growth and acquisitions, to achieve sustainable profits for the Group in the future.

In passing, we should add that our diversification into hi-speed railway advertising sales in China through the May 2011 agreement with Shanghai Railway Bureau had not been successful due to difficulty in distributing our magazines onboard the trains. Consequently the contract was dissolved by mutual agreement in July 2012 and we incurred a small trading loss.

Recruit Magazine and Website
The recruitment advertising industry went through a consolidation phase with advertising dollars continue to migrate to lower-priced internet job sites. In Hong Kong, industry players responded by cutting product development and promotion costs. Our Recruit magazine/website business, however, rebuked that trend and registered a 6% increase in sales turnover and higher profits. One of the reasons for Recruit's outperforming our competitors is the initiatives taken by management to seek additional sources of revenue. We successfully organized four job fairs during the year which were very well received by our customers and job applicants. The events generated immediate profits and helped promote the Recruit brand. We plan to capitalize on this initiative and organize more job fairs in 2013.

In 2012, we also launched "Like", a free subscription bi-weekly magazine, distributed in high traffic volume locations in Hong Kong. Featuring articles on "life style" topics and job/display advertisements, the magazine targets at job candidates for the retail industry. This industry - one of the key drivers of economic growth in Hong Kong - has been facing chronic shortage of staff. "Like" provides an alternative advertising medium for the retailers to reach out directly and expediently to prospective job seekers.

Printing Business
1010 Printing Group Limited ("1010 Printing"), our 60% owned subsidiary, registered another solid year of performance with net profits after tax increasing to HK$68 million in 2012. 1010 currently ranks No. 2 among book printers exporting to the US market. This was achieved in an industry suffering from ever decreasing prices, escalating labor and shipping costs. The market for printed books in recent years has been hit hard by the advent of the ebook and steady shrinking of the distribution network, as Amazon continues its dominance in book sales.

On December 28, 2012, 1010 Printing completed the acquisition of Asia Pacific Offset Limited ("APOL"), one of the most successful book print management companies in the world. The combined paper procurement budget of 1010 and APOL will result in stronger bargaining power with paper mills. The merger is already gaining support from our major customers and 1010 management is convinced that providing comprehensive print management service to our publishing customers will be the future for 1010 Printing.

PROSPECTS

The Air China episode has checked the growth momentum of our inflight magazine advertising business. Fortunately, our strong balance sheet provides us with a solid platform to explore other business prospects to compensate for profit contributions from the lost contract.

On a more positive note, in 1010 Printing, we have very exciting prospects and this operation will be a strong driver of earnings in the near-term future. We are actively seeking business opportunities to expand and diversify, and shareholders of both companies can expect more merger and acquisition activities to come.

FINANCIAL REVIEW

Turnover for the year ended 31 December 2012 was approximately HK$1.53 billion and represented an increase of 7% from the previous corresponding year (2011: HK$1.43 billion); whereas the advertising business and printing business accounted for 54% and 46% of the Group's revenue, representing a 5% and 9% growth respectively.

Other income decreased by 14% to approximately HK$35.9 million in 2012 (2011: HK$41.6 million) mainly due to the decrease in scrap material sales of HK$4 million, net foreign exchange gain of HK$4 million and impairment of trade receivable written back of HK$2 million. The decrease was partially offset by the increase in interest income of HK$3 million and sundry income of HK$2 million.

The selling and distribution expenses increased by 8% as a result of the increase in both advertising and printing businesses' turnover. The Group's conservative approach on its provision for impairment of trade receivables caused the increase in other expenses. Such increase was offset by the one-off listed expenses of approximately HK$6.3 million recorded in 2011.

Negatively impacted by the increase in income tax expenses, the Group's profit for the year decreased by HK$3 million to HK$188.9 million. The increase in income tax expenses mainly due to the change of operating mode in the printing business, increase in profits in the PRC subsidiaries and the payment and provision of dividend tax in the PRC. The Group's total comprehensive income attributable to owners of the Company recorded a 7% drop, amounting to approximately HK$161.9 million (2011: HK$174.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group had net current assets of approximately HK$566.7 million (2011: HK$553.2 million). The Group's current ratio as at 31 December 2012, which is defined as current assets over current liabilities, was 2.2 (2011: 2.6). The financial position of the Group was healthy with total cash and bank deposits approximately HK$450.3 million (2011: HK$407.3 million).

The Group's gearing ratio as at 31 December 2012 was 15.4 % (2011: 18.9%), which is calculated on the basis of the Group's total interest-bearing debts over the total equity interest. Total bank borrowings and finance lease liabilities were approximately HK$125.1 million (2011: HK$146.7 million). As at 31 December 2012, borrowings of HK$78.8 million and HK$46.3 million are denominated in Hong Kong dollars and US dollars respectively. All borrowings are at floating rates and repayable within five years except an amount of HK$4.2 million being repayable after five years. For the borrowings as at 31 December 2011, approximately HK$24.4 million is denominated in Renminbi, at fixed rate and repayable within one year and the rest of the borrowing and finance leases are denominated in Hong Kong dollars, at floating rates and repayable within five years. The net book amount of property, plant and equipment includes net carrying amount of approximately HK$20.9 million (2011: HK$21.5 million) in respect of assets held under finance leases.

The Group adopts centralized financing and treasury policies in order to ensure the group 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.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2012, the Group had around 1,136 employees (2010: 1,094). 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, medical cover and stock option.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of a final dividend of HK$0.200 (2011: HK$0.200) per share (the "Final Dividend") and a special dividend of HK$0.100 (2011: HK$0.200) per share (the "Special Dividend") for the year ended 31 December 2012 to holders of ordinary shares whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 29 April 2013. The register of shareholders will be closed from 26 April 2013 to 29 April 2013, both days inclusive, during which period no transfer of shares will be registered. To qualify for the Final Dividend and Special Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, whose share registration public offices are located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 April 2013. The relevant dividend warrants will be dispatched to shareholders on or around 13 May 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code Provision") during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code and Corporate Governance Report during the period from 1 April 2012 to 31 December 2012 contained in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The audit committee has three members comprising the three independent non-executive directors, namely, Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David 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 2012.

On behalf of the Board
Lau Chuk Kin
Executive Director

Hong Kong, 21 February 2013

As at the date of this announcement, the Board comprises Lau Chuk Kin and Lam Mei Lan as executive directors, Wan Siu Kau, Lee Ching Ming, Adrian and Peter Stavros Patapios Christofis as non-executive directors and Ling Lee Ching Man, Eleanor, Cheng Ping Kuen, Franco and Ho David as independent non-executive directors.

This final results announcement is published on the website of Hong Kong Stock Exchange at www.hkex.com.hk and on the Company's website at www.cinderellagroup.com.hk. The annual report 2012 of the Company will also be published on the aforesaid websites in due course.