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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 2014**

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 2014, together with the comparative figures for the year ended 31 December 2013 as follows:

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014**

	Notes	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations			
Turnover	3	476,149	556,152
Direct operating costs		<u>(377,215)</u>	<u>(407,588)</u>
Gross profit		98,934	148,564
Other revenue and net income	5	7,593	12,065
Selling and distribution costs		(30,438)	(46,562)
Administrative expenses		(37,804)	(35,276)
Other expenses		(3,705)	(4,148)
Finance costs	6	<u>(66)</u>	<u>(65)</u>
Profit before income tax from continuing operations	7	34,514	74,578
Income tax expense	8	<u>(16,554)</u>	<u>(22,705)</u>
Profit for the year from continuing operations		<u>17,960</u>	<u>51,873</u>
Discontinued operations			
Profit for the year from discontinued operations	9	<u>76,675</u>	<u>121,421</u>
Profit for the year		<u>94,635</u>	<u>173,294</u>

** For identification purpose only*

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014 (Continued)

	Notes	2014 HK\$'000	2013 HK\$'000 (restated)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange (loss)/gain on translation of financial statements of foreign operations		(633)	6,321
Release of exchange reserve upon distribution of subsidiaries		(1,608)	-
Other comprehensive income for the year, net of tax		(2,241)	6,321
Total comprehensive income for the year		92,394	179,615
Profit for the year attributable to:			
Owners of the Company			
Profit for the year from continuing operations		17,960	51,873
Profit for the year from discontinued operations		60,953	73,526
Profit for the year attributable to owners of the Company		78,913	125,399
Non-controlling interests			
Profit for the year from continuing operations		-	-
Profit for the year from discontinued operations		15,722	47,895
Profit for the year attributable to non-controlling interests		15,722	47,895
		94,635	173,294
Total comprehensive income attributable to:			
Owners of the Company		76,763	130,039
Non-controlling interests		15,631	49,576
		92,394	179,615
Earnings per share from continuing and discontinued operations			
Basic	11(a)	HK23.67 cents	HK37.94 cents
Diluted		HK23.67 cents	HK37.86 cents
Earnings per share from continuing operations			
Basic	11(b)	HK5.39 cents	HK15.69 cents
Diluted		HK5.39 cents	HK15.66 cents

Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	2014 HK\$'000	2013 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	4,704	200,905
Prepaid land lease payments	13	5,651	5,845
Investment properties	14	29,706	10,192
Intangible assets	15	-	66,117
Deferred tax assets		-	10,614
		<u>40,061</u>	<u>293,673</u>
Current assets			
Inventories	16	-	79,802
Trade and other receivables and deposits	17	68,430	492,709
Financial assets at fair value through profit or loss	18	1,591	1,498
Tax recoverable		4,384	-
Pledged cash and bank balances		-	33,365
Cash and cash equivalents		<u>151,615</u>	<u>382,522</u>
		226,020	989,896
Current liabilities			
Trade and other payables	19	69,740	281,099
Bank borrowings	20	7,672	64,612
Finance lease liabilities	21	-	526
Provision for taxation		<u>5,888</u>	<u>13,007</u>
		83,300	359,244
Net current assets		<u>142,720</u>	<u>630,652</u>
Total assets less current liabilities		182,781	924,325
Non-current liabilities			
Deferred tax liabilities		<u>3,255</u>	<u>17,391</u>
Net assets		<u>179,526</u>	<u>906,934</u>
EQUITY			
Share capital		66,727	66,482
Reserves		<u>112,799</u>	<u>577,668</u>
Equity attributable to owners of the Company		179,526	644,150
Non-controlling interests		-	<u>262,784</u>
Total equity		<u>179,526</u>	<u>906,934</u>

Consolidated Statement of Changes in Equity
For the year ended 31 December 2014

	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 2013	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
Equity-settled share-based payment expense	-	-	52	-	-	-	-	-	589	-	-	641	387	1,028
Exercise of share options	850	7,815	(1,637)	-	-	-	-	-	-	-	-	7,028	-	7,028
Share issue expenses	-	(31)	-	-	-	-	-	-	-	-	-	(31)	-	(31)
Final and special 2012 dividends paid (Note 10)	-	-	-	-	-	-	-	-	-	(98,589)	(717)	(99,306)	-	(99,306)
Interim 2013 dividend paid (Note 10)	-	-	-	-	-	-	-	-	-	-	(26,497)	(26,497)	-	(26,497)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(6,111)	(6,111)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	40,021	40,021
Loss on acquisition of non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(176)	-	-	-	(176)	(2,442)	(2,618)
Transactions with owners	850	7,784	(1,585)	-	-	-	-	(176)	589	(98,589)	(27,214)	(118,341)	31,855	(86,486)
Profit for the year	-	-	-	-	-	-	-	-	-	-	125,399	125,399	47,895	173,294
Other comprehensive income	-	-	-	4,640	-	-	-	-	-	-	-	4,640	1,681	6,321
Currency translation	-	-	-	4,640	-	-	-	-	-	-	-	4,640	1,681	6,321
Total comprehensive income for the year	-	-	-	4,640	-	-	-	-	-	-	125,399	130,039	49,576	179,615
Proposed final 2013 dividends (Note 10)	-	-	-	-	-	-	-	-	-	66,488	(66,488)	-	-	-
Balance at 31 December 2013	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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2014 (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	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 (Note 10)	-	-	-	-	-	-	-	-	-	(66,488)	(239)	(66,727)	-	(66,727)
Distribution in specie (Note 10)	-	-	-	-	-	(5,000)	-	-	-	-	(454,114)	(459,114)	-	(459,114)
Interim 2014 dividends paid (Note 10)	-	-	-	-	-	-	-	-	-	-	(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 (Note 10)	-	-	-	-	-	(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 2014 (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 subsidiaries 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"), 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 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.

During the year, the Company approved the distribution in specie of shares in its subsidiary, 1010 Printing Group Limited, to its shareholders. The financial results of 1010 Printing Group Limited and its subsidiaries (collectively referred as “1010 Printing Group”) are presented as discontinued operations in accordance with HKFRS 5. Details of the discontinued operations 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 operations discontinued during the year had been discontinued at the beginning of the comparative period. Other than the distribution in specie, 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 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.

2. Adoption of new or amended HKFRSs (Continued)

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.

HKFRS 15 - Revenue from Contracts with Customers

The standard is effective for accounting periods beginning on or after 1 January 2017. 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 advertising income earned by the Group’s continuing operations during the year.

4. Segment information

The executive directors have identified that, the Group has only one reportable segment, which is the provision of advertising services.

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 (excluding deferred tax assets)	
	2014 HK\$'000	2013 HK\$'000 (restated)	2014 HK\$'000	2013 HK\$'000
PRC	377,937	447,868	9,099	198,372
United States of America	-	-	-	189
United Kingdom	-	-	-	6
Australia	-	-	-	34
Hong Kong (domicile)	90,049	99,022	30,943	84,430
Taiwan	8,163	9,262	19	28
	<u>476,149</u>	<u>556,152</u>	<u>40,061</u>	<u>283,059</u>

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, prepaid land lease payments and investment properties) and (2) location of operations (for intangible assets).

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:

	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations		
Reportable segment profit	34,580	74,695
Equity-settled share-based payments	-	(52)
Finance costs	(66)	(65)
Profit before income tax	<u>34,514</u>	<u>74,578</u>
Reportable segment assets	266,081	375,235
Deferred tax assets	-	10,614
Segment assets of discontinued operations	-	897,720
Group assets	<u>266,081</u>	<u>1,283,569</u>
Reportable segment liabilities	75,628	116,940
Segment liabilities of discontinued operations	-	177,692
Deferred tax liabilities	3,255	17,391
Borrowings	7,672	64,612
Group liabilities	<u>86,555</u>	<u>376,635</u>

4. Segment information (continued)

Certain comparative figures in the segment information for the year ended 31 December 2013 has been restated. Previously, advertising, printing and investment were identified by executive directors as operating segments. For the year ended 31 December 2014, in view of the discontinued operation of printing upon the distribution in specie of shares in 1010 Printing Group Limited and insignificant impact of investment, executive directors identified advertising as the only segment 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 figures have been reclassified accordingly.

5. Other revenue and net income

	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations		
Interest income	2,162	3,301
Dividend income from listed equity securities	94	48
Net foreign exchange gain	-	2,868
Bad debt recovered	3,616	3,849
Rental income	298	-
Sundry income	1,423	1,999
	<u>7,593</u>	<u>12,065</u>

6. Finance costs

	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations		
Interest charges on bank borrowings, which contain repayment on demand clause (wholly repayable within five years)	<u>66</u>	<u>65</u>

7. Profit before income tax

	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations		
Profit before income tax is arrived at after charging/(crediting):		
Amortisation of prepaid land lease payments	147	146
Auditor's remuneration	737	867
Depreciation of property, plant and equipment, included in administrative expense	1,226	2,021
Depreciation of investment properties	294	-
Employee benefit expense	43,855	52,466
Impairment of trade receivables	3,705	4,149
Loss on disposals of property, plant and equipment	101	-
Minimum lease payments paid under operating leases in respect of:		
- Rented premises and production facilities	4,972	5,157
- Internet access line	154	221
Direct operating expenses arising from investment properties that generated rental income	132	-
Loss on disposal of subsidiaries	1,919	11
(Gains)/Losses on financial assets at fair value through profit or loss	(115)	66

For the year ended 31 December 2013, auditor's remuneration for other services paid was HK\$50,000.

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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.

	2014 HK\$'000	2013 HK\$'000 (restated)
Continuing operations		
Hong Kong profits tax		
Current year	2,742	6,287
Over provision in prior years	-	(401)
	2,742	5,886
Overseas tax		
Current year	22,534	14,759
Over provision in prior years	(1,919)	-
	20,615	14,759
Deferred tax		
Current year	(6,803)	2,060
	16,554	22,705

9. Discontinued operations

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 1010 Printing Group represented the entire business segment of printing of the Group and therefore they are presented as discontinued operations in 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 are re-presented for discontinued operations.

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:

	2014 HK\$'000	2013 HK\$'000
Turnover	365,751	1,163,542
Direct operating costs	(262,944)	(851,271)
Other revenue and net income	10,299	37,200
Selling and distribution costs	(50,635)	(164,953)
Administrative expenses	(11,800)	(29,697)
Other expenses	(1,422)	(5,483)
Finance costs	(637)	(2,395)
Profit before income tax from discontinued operations	48,612	146,943
Income tax expenses	(8,903)	(25,522)
Profit after income tax from discontinued operations	39,709	121,421
Gain on distribution of subsidiaries (Note 22(c))	36,966	-
Profit for the year from discontinued operations	76,675	121,421

10. Dividends and distribution

(a) Dividends attributable to the year:

	2014 HK\$'000	2013 HK\$'000
Interim dividend of HK\$0.055 (2013: HK\$0.08) per share	18,350	26,497
Proposed final dividend of HK\$0.06 (2013: HK\$0.2) per share	<u>20,018</u>	<u>66,488</u>
	<u>38,368</u>	<u>92,985</u>

For the year ended 31 December 2013, the Company proposed the distribution in specie ("Distribution in Specie") of shares in 1010 Printing Group Limited, which is held by the Company and Recruit (BVI) Limited, a directly wholly owned subsidiary of the Company, 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.

Final dividend and Distribution in Specie proposed after the reporting date have not been recognised as a liability at the reporting date. Final dividend proposed is reflected as an appropriation of retained earnings/contributed surplus for the years ended 31 December 2014 and 2013 to proposed final and special dividends reserve. Distribution in Specie proposed was not reflected as an appropriation of retained earnings for the year ended 31 December 2013 as the fair values of those shares at the date of distribution were not yet known.

The proposed final dividend will be distributed subsequent to the reporting date and is subject to the approval of the Company's shareholders in the forthcoming annual general meeting.

(b) Dividends approved and paid during the year:

	2014 HK\$'000	2013 HK\$'000
Interim dividend of HK\$0.055 (2013 : HK\$0.08) per share	18,350	26,497
Final dividend of HK\$0.2 (2013: HK\$0.2) per share in respect of the previous financial year	66,488	65,726
Additional final dividend in respect of the previous financial year	239	717
Distribution in Specie in respect of the previous financial year	459,114	-
Special dividend of Nil (2013: HK\$0.1) per share in respect of the previous financial year	<u>-</u>	<u>32,863</u>
	<u>544,191</u>	<u>125,803</u>

11. Earnings per share

(a) For continuing and discontinued operations

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

	2014 HK\$'000	2013 HK\$'000
Profit for the year attributable to owners of the Company		
Continuing operations	17,960	51,873
Discontinued operations	<u>60,953</u>	<u>73,526</u>
	<u>78,913</u>	<u>125,399</u>
	Number of shares	
	2014 '000	2013 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	333,381	330,551
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	<u>-</u>	<u>661</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>333,381</u>	<u>331,212</u>

For the year ended 31 December 2014, diluted earnings per share 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.

(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\$17,960,000 (2013: HK\$51,873,000) and the denominators used are the same as those detailed above for both basic and 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 earnings per share for discontinued operations for the year is HK18.28 cents (2013: HK22.24 cents) and diluted earnings per share for discontinued operations for the year ended 31 December 2013 was HK22.20 cents per share, based on the profit attributable to owners of the Company from discontinued operations of HK\$60,953,000 (2013: HK\$73,526,000) and the denominators used are the same as those detailed above for both basic and diluted earnings per share. For the year ended 31 December 2014, diluted earnings per share from discontinued 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.

12. Property, plant and equipment

	Leasehold land and buildings	Furniture and fixtures	Office equipment	Leasehold improvements	Computer equipment and system	Motor vehicles	Machinery	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013								
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
Year ended 31 December 2013								
Opening net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
Exchange differences	71	(2)	18	3	5	17	3,797	3,909
Additions	-	382	673	8,485	1,125	2,024	15,628	28,317
Disposals	-	(4)	(56)	(679)	(2)	(254)	(6,785)	(7,780)
Transfer to investment properties (Note 14)	(10,370)	-	-	-	-	-	-	(10,370)
Depreciation	(401)	(739)	(717)	(5,037)	(1,983)	(524)	(23,174)	(32,575)
Closing net book amount	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
At 31 December 2013								
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	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
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 (Note 22(c))	(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	2,851	360	159	582	530	222	-	4,704
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	2,851	360	159	582	530	222	-	4,704

Net book amount of property, plant and equipment as at 31 December 2013 included the net carrying amount of HK\$19,012,000 held under finance leases. As at 31 December 2014, there is no property, plant and equipment held under finance leases.

As at 31 December 2014, the Group's leasehold land and buildings were situated in the PRC (2013: the PRC and Hong Kong) and were held under medium-term leases.

As at 31 December 2013, certain of the Group's leasehold land and buildings with net book amount of HK\$5,344,000 were pledged to secure bank borrowings granted to the Group and certain of the Group's property, plant and equipment with net book amount of HK\$442,000 were collateralised against the banking facilities granted to the Group. As at 31 December 2014, no property, plant and equipment was either pledged or collateralised.

13. Prepaid land lease payments

	2014 HK\$'000	2013 HK\$'000
At 1 January		
Cost	6,470	6,315
Accumulated amortisation	(625)	(467)
Net book amount	5,845	5,848
Opening net book amount	5,845	5,848
Exchange differences	(47)	143
Amortisation	(147)	(146)
Closing net book amount	5,651	5,845
At 31 December		
Cost	6,418	6,470
Accumulated amortisation	(767)	(625)
Net book amount	5,651	5,845

As at 31 December 2014 and 2013, the Group's prepaid land lease payments represented up-front payments to acquire the right of use of land in the PRC, which was held under a medium-term lease.

14. Investment properties

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the cost model and are classified and accounted for as investment properties.

Changes in the carrying amounts presented in the statement of financial position can be summarised as follows:

	2014 HK\$'000	2013 HK\$'000
At 1 January		
Cost	10,370	-
Accumulated depreciation	(178)	-
Net book amount	10,192	-
Opening net book amount	10,192	-
Transfer from property, plant and equipment (Note 12)	-	10,370
Distribution of subsidiaries (Note 22(c))	(10,091)	-
Acquisition of assets and liabilities through acquisition of a subsidiary (Note 23)	30,000	-
Depreciation	(395)	(178)
Closing net book amount	29,706	10,192
At 31 December		
Cost	30,000	10,370
Accumulated depreciation	(294)	(178)
Net book amount	29,706	10,192

14. Investment properties (Continued)

All of the investment properties as at 31 December 2014 and 2013 were pledged to secure bank borrowings granted to the Group. As at 31 December 2014 and 2013, the Group's investment properties were situated in Hong Kong and were held under medium-term leases.

15. Intangible assets

	Goodwill HK\$'000	Non competition covenants HK\$'000	Total HK\$'000
At 1 January 2013			
Gross carrying amount	79,865	741	80,606
Accumulated impairment	(14,119)	-	(14,119)
Net carrying amount	<u>65,746</u>	<u>741</u>	<u>66,487</u>
Year ended 31 December 2013			
Net carrying amount as at 1 January 2013	65,746	741	66,487
Amortisation	-	(370)	(370)
Net carrying amount at 31 December 2013	<u>65,746</u>	<u>371</u>	<u>66,117</u>
At 31 December 2013			
Gross carrying amount	79,865	741	80,606
Accumulated amortisation and impairment	(14,119)	(370)	(14,489)
Net carrying amount	<u>65,746</u>	<u>371</u>	<u>66,117</u>
Year ended 31 December 2014			
Net carrying amount as at 1 January 2014	65,746	371	66,117
Amortisation	-	(124)	(124)
Distribution of subsidiaries (Note 22(c))	(65,746)	(247)	(65,993)
Net carrying amount at 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2014			
Gross carrying amount	14,119	-	14,119
Accumulated impairment	(14,119)	-	(14,119)
Net carrying amount	<u>-</u>	<u>-</u>	<u>-</u>

16. Inventories

	2014 HK\$'000	2013 HK\$'000
Raw materials	-	56,788
Work-in-progress	-	22,737
Finished goods	-	277
	<u>-</u>	<u>79,802</u>

17. Trade and other receivables and deposits

Ageing analysis of trade receivables, net of provision as at 31 December 2014, based on invoice date, is as follows:

	2014 HK\$'000	2013 HK\$'000
0 - 30 days	13,780	104,805
31 - 60 days	5,710	77,914
61 - 90 days	54	65,521
91 - 120 days	2,761	102,614
121 - 150 days	3,752	46,819
Over 150 days	6,078	37,274
Total trade receivables	32,135	434,947
Other receivables and deposits	36,295	57,762
	<u>68,430</u>	<u>492,709</u>

The Group allows a credit period from 7 to 120 days (2013: 7 to 150 days) to its customers.

18. Financial assets at fair value through profit or loss

	2014 HK\$'000	2013 HK\$'000
Held for trading		
Equity securities, listed in Hong Kong	1,591	804
Forward foreign exchange contracts	-	694
Fair value	<u>1,591</u>	<u>1,498</u>

19. Trade and other payables

As at 31 December 2014, ageing analysis of trade payables based on invoice date is as follows:

	2014 HK\$'000	2013 HK\$'000
0 - 30 days	6,112	56,458
31 - 60 days	5,327	29,799
61 - 90 days	4,486	21,503
91 - 120 days	6,264	11,284
Over 120 days	11,837	8,145
	<u>34,026</u>	<u>127,189</u>
Other payables and accruals	35,714	153,910
	<u>69,740</u>	<u>281,099</u>

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 which is settled on a half yearly (2013 : half yearly) basis according to the terms of an agreement signed with this business partner.

20. Bank borrowings

	2014 HK\$'000	2013 HK\$'000
Current portion		
- Bank loans due for repayment within one year	1,164	23,139
- Bank loans due for repayment after one year which contain a repayment on demand clause	6,508	41,473
Total bank borrowings	<u>7,672</u>	<u>64,612</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 are due for repayment as at each of the reporting dates are as follows:

	2014 HK\$'000	2013 HK\$'000
Within one year	1,164	23,139
In the second year	1,164	21,859
In the third to fifth year	5,344	16,598
Wholly repayable within five years	7,672	61,596
Beyond the fifth year	-	3,016
	<u>7,672</u>	<u>64,612</u>

21. Finance lease liabilities

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

	2014 HK\$'000	2013 HK\$'000
Total minimum lease payments :		
Due within one year	-	527
Future finance charges on finance leases	-	(1)
Present value of finance lease liabilities	<u>-</u>	<u>526</u>
Present value of minimum lease payments :		
Due within one year	-	526
Less : Portion due within one year included under current liabilities	-	(526)
Non-current portion included under non-current liabilities	<u>-</u>	<u>-</u>

22. Disposal/Distribution of subsidiaries

(a) Disposal of SAR Media Limited

During the year, the Group disposed its entire interests in SAR Media Limited to independent third parties at the consideration of HK\$3,200,000. The net assets of SAR Media Limited and its subsidiary, Arabesque Advertising Limited, at the date of disposal are as follows:

	HK\$'000
Trade and other receivables	125
Amounts due from group companies	89,093
Cash and cash equivalents	3,175
Other payables	(65,363)
Amount due to group company	(12,345)
Provision for taxation	(5,006)
Deferred tax liabilities	(6,511)
	<u>3,168</u>
Gain on disposal of a subsidiary	<u>32</u>
Total consideration satisfied by cash	<u><u>3,200</u></u>
Net cash inflow arising on disposal:	
Cash consideration	3,200
Cash and cash equivalents disposed of	<u>(3,175)</u>
	<u><u>25</u></u>

(b) Disposal of 北京海溢吉盛廣告有限公司

During the year, the Group disposed its entire interests in 北京海溢吉盛廣告有限公司 to independent third parties at the consideration of HK\$8,743,000. Its net assets at the date of disposal are as follows:

	HK\$'000
Other receivables	11,408
Cash and cash equivalents	1,205
Other payables	(451)
Amount due to group company	<u>(1,468)</u>
	<u>10,694</u>
Loss on disposal of a subsidiary	<u>(1,951)</u>
Total consideration satisfied by cash	<u><u>8,743</u></u>
Net cash inflow arising on disposal:	
Cash consideration	8,743
Cash and cash equivalents disposed of	<u>(1,205)</u>
	<u><u>7,538</u></u>

22. Disposal/Distribution of subsidiaries (Continued)

(c) Distribution in specie of shares of 1010 Printing Group Limited

As mentioned in Note 9 to the results announcement, on 2 May 2014, the Company distributed its equity interest of 1010 Printing Group Limited to its shareholders and since then, 1010 Printing Group Limited ceased to be subsidiary of the Company. Before the distribution, the Group had 464,430,000 shares of 1010 Printing Group Limited, 463,751,000 shares were distributed upon the distribution and the remaining 679,000 shares were classified as financial assets at fair value through profit or loss.

The net assets of 1010 Printing Group Limited and its subsidiaries at the date of distribution are as follows:

	HK\$'000
Intangible assets	65,993
Property, plant and equipment	188,294
Investment properties	10,091
Deferred tax assets	10,614
Inventories	114,209
Trade and other receivables	418,671
Cash and cash equivalents	234,024
Trade and other payables	(237,423)
Financial liabilities at fair value through profit or loss	(1,107)
Bank borrowings	(95,906)
Provision for taxation	(4,335)
Deferred tax liabilities	(967)
Non-controlling interests	(278,894)
	<u>423,264</u>
Exchange reserve	(1,608)
Fair value of remaining shares of 1010 Printing Group Limited classified as financial assets at fair value through profit or loss	(672)
Gain on distribution of subsidiaries	<u>36,966</u>
Total consideration	<u><u>457,950</u></u>
Total consideration consists of:	
Fair value of the shares of 1010 Printing Group Limited distributed	459,114
Less: cost incurred on the distribution	(1,164)
	<u><u>457,950</u></u>
Net cash outflow arising from the distribution:	
Cash and cash equivalents disposed of	(234,024)
Cost incurred on the distribution	(1,164)
	<u><u>(235,188)</u></u>

23. Acquisition of assets and liabilities through acquisition of a subsidiary

On 1 September 2014, the Group acquired the entire interest of Express Ocean Investment Limited from a subsidiary of 1010 Printing Group Limited, which is no longer the subsidiary of the Company after the distribution in specie, and a director of 1010 Printing Group Limited at the consideration of HK\$17,400,000. 1010 Printing Group Limited is a related company of the Company after the distribution in specie as Mr. Lau Chuk Kin, a director and controlling shareholder of the Company, is a director of 1010 Printing Group Limited and has significant influence. Express Ocean Investment Limited held certain investment properties for rental purpose and the Directors considered that this acquisition does not meet the definition of a business in HKFRS 3 (revised) at the acquisition date. Accordingly, the acquisition has been accounted for as an asset purchase.

Details of the assets and liabilities acquired are as follows:

	HK\$'000
Investment properties	30,000
Other receivables	17
Tax recoverable	17
Cash and cash equivalents	253
Other payables	(4,827)
Bank borrowings	<u>(8,060)</u>
Net assets acquired	<u>17,400</u>
 Total consideration satisfied by cash	 <u>17,400</u>
 Net cash outflow arising from the acquisition:	
Purchase consideration settled in cash	(17,400)
Cash and cash equivalents acquired	<u>253</u>
	<u>(17,147)</u>

CHAIRMAN'S STATEMENT

The trading environment of the Group's advertising business faced strong head wind in 2014 as the industry went through a paradigm shift towards on-line channels and social media. The downturn in advertising dollars was further exacerbated by the anti-corruption drives in China, which had a significant impact on the sales of luxury goods and hence the advertising spending. The Group's turnover for the year thus decreased by 14% to approximately HK\$476.1 million from HK\$556.2 million in the previous year.

In May 2014, the Group distributed its 60.3% stake in 1010 Printing Group Limited ("1010 Printing") to our existing shareholders. This will enable the Group to focus on its advertising business.

The Group has been actively seeking business opportunities in the past few years. In 2014, we extended our reach to non-print channels with existing airline clients and TV channels. In addition, we have streamlined our operations by disposing of non-performing subsidiaries to enhance our operating efficiency. Further collaboration opportunities in non-print advertising channels for both our inflight and Recruit business will be sought prudently to increase our market share and maximize the shareholders' value.

On behalf of the Board, I would like to thank our clients and staff for their contributions and dedication. I would also like to express our gratitude for the support of our shareholders.

Lau Chuk Kin

Chairman

Hong Kong, 3 March 2015

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The net profit for the year of the Group declined to HK\$ 94.6 million in 2014 with the advertising business registering a 65% drop from HK\$ 51.9 million in 2013 to HK\$18.0 million in 2014.

Inflight Magazine

The operating environment for the Group's inflight magazine business remained difficult in 2014. Magazine readership in China has been in decline in recent years as more and more readers turn to digital platforms for latest news and entertainment. On top of that, according to the international consultancy firm Bain & Company, luxury goods consumption in China recorded a negative growth in 2014. This was attributable to the anti-graft campaign by the Chinese government and changes in consumption patterns led by the emerging Chinese middle class. This has thus resulted in significantly less spending on print advertisements by luxury brands. Turnover for the segment decreased by approximately 15.5%.

The advertising revenue in the first three months of 2015 showed year on year double digit decline. This downward trend is likely to continue in the near future. Management is considering options, including exiting from the Inflight magazine business, to contain the loss from this sector.

In an effort to alleviate the impact of deteriorating sales revenue from inflight magazines, the Group has been actively exploring alternative channels to better meet airline customers' branding and promotion needs. Apart from our traditional advertising agencies, namely China Eastern Airlines, China Southern Airlines, China Airlines and Hong Kong Airlines, the Group has extended its media and marketing reach to aircraft branding, as well as the boarding passes and inflight entertainment systems for Hong Kong Airlines in 2014.

The Group became the exclusive advertising representative for "Local Specialty" (名物志), a documentary program of China Central Television (CCTV) Outlook Channel. "Local Specialty" is a prime example of the Group's efforts in tapping into non-print advertising channels. As the program was recently launched, this will be a mid to long term contribution to the Group's earnings.

Recruit Magazine and Website

Turnover for the Recruit segment registered a 5.7% decrease during the year due to severe competition from on-line and offline competitors. Nonetheless, Recruit magazine and website remains one of the preferred job search media in Hong Kong in the dissemination of information on job vacancies across a wide range of platforms: printed media, electronic media and job fairs. In addition to hosting career fairs regularly, Recruit has collaborated with China Daily (Hong Kong Edition) and Hong Kong Management Association to organize roundtable conferences on manpower planning strategies in the medical services and logistics industries in 2014. The series of career-related activities were well-received by job seekers, employers as well as professionals from different industries.

In view of the migration from offline to online job searching platforms, the Group has upgraded the Recruit mobile app in 2014. "Recruit Part Time Job" mobile app was also launched during the year. Both apps allow jobseekers to read Recruit as well as to search and apply for jobs.

Major Movements

Distribution of Shares in 1010 Printing Group ("1010 PGL", stock code: 1127.HK)

In May 2014, the Group distributed its 60.32% in 1010 PGL to our shareholders to provide them with an opportunity to directly participate in the growth of 1010 PGL. More importantly, this allows the Group to focus resources on its advertising business. Profit contributed by 1010 PGL to the Group in 2014 prior to the distribution in specie was HK\$39.7 million; while the fair value gain on distribution of 1010 PGL was HK\$37.0 million.

Purchase of Express Ocean Investment Limited (“EOIL”)

On 1 September 2014, the Group purchased the entire issued share capital of EOIL at a consideration of HK\$17.4 million, funded by internal resources of the Group. EOIL is a property investment company incorporated in Hong Kong. The property investment held by EOIL generates a steady stream of rental income of HK\$894,000 per annum.

PROSPECTS

The Group expects the challenging operating environment to persist while the market outlook of print advertising in China will remain gloomy in 2015. As signaled by eMarketer, an independent market research company, the market share of print advertising spending in China will further decrease from 11.3% in 2014 to an estimated 9.2% in 2015. In light of that, the Group will continue to meet non-print advertising needs of airline customers by diversifying its product and service offering in 2015, as well as to strengthen the Group’s position as a valued added advertising partner for our customers.

According to a recent online survey, more than 70% of the working population has expressed their desire to switch jobs for better compensation and working conditions in the first quarter of 2015. Recruit will organize job and career fairs to satisfy the needs of prospective jobseekers. Recruitment days will also be co-organized with numerous reputable companies to offer information on job opportunities to jobseekers.

FINANCIAL REVIEW

Continuing operations

Turnover for the year ended 31 December 2014 was approximately HK\$476.1 million and represented a decrease of 14% from the previous corresponding year (2013: HK\$556.2 million). The gross profit margin dropped from 27% in 2013 to 21% in 2014 because the fixed direct costs have not decreased correspondingly with the turnover.

Other income decreased by 37% to approximately HK\$7.6 million in 2014 (2013: HK\$12.1 million) mainly due to decrease in exchange gain HK\$2.9 million and interest income HK\$1.1 million.

The selling and distribution expenses decreased by 35% as a result of the decrease in Inflight magazine business which have higher agency commission and selling expenses. The administrative expenses increased by 7% mainly due to the exchange loss realized on the assets denominated in RMB. Other expenses represented mainly the provision for impairment on trade receivables. The decrease in other expense by 11% was due to the improvement in debtor repayment performance in the year.

Discontinued operation

On 2 May 2014, the Group distributed shares in 1010 Printing Group Limited (stock code: 1127) (“1010 Printing”) in specie to the shareholders. As a result of the distribution in specie, 1010 Printing ceased to be the subsidiary of the Company. The profit of 1010 Printing before distribution of HK\$39.7 million (2013: HK\$121.4 million) and the gain on distribution of HK\$37.0 million (2013: nil) were classified as profit from discontinued operations.

The Group’s profit for the year attributable to owners decreased by 37% to HK\$78.9 million. The decrease is mainly due to the distribution of 1010 Printing and the decrease in advertising income in the Inflight magazine division. The Group’s total comprehensive income attributable to owners of the Company recorded a 41% drop, amounting to approximately HK\$76.8 million (2013: HK\$130.0 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s assets and liabilities as at 31 December 2014 were reduced significantly when compared with 2013 due to the distribution of 1010 Printing. As at 31 December 2014, the Group had net current assets of approximately HK\$142.7 million (2013: HK\$630.7 million). The Group’s current ratio as at 31 December 2014, which is defined as current assets over current liabilities, was 2.7 (2013: 2.8). The financial position of the Group was healthy with total cash and bank deposits approximately HK\$151.6 million (2013: HK\$415.9 million).

The Group’s gearing ratio as at 31 December 2014 was 4.3 % (2013: 7.2%), which is calculated on the basis of the Group’s total interest-bearing debts over the total equity interest. Total bank borrowing was approximately HK\$7.7 million (2013: bank borrowings and finance lease total HK\$65.1 million). As at 31 December 2014, all the bank borrowings are denominated in Hong Kong dollars. As at 31 December 2013, borrowings of HK\$30.3 million and HK\$34.8 million are denominated in Hong Kong dollars and US dollars respectively. All borrowings are at floating rates and repayable within five years and subject to a repayable on demand clause. The net book amount of property, plant and equipment includes net carrying amount of nil (2013: HK\$19.0 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 2014, the Group had around 115 employees (2013: 1,095). 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, DISTRIBUTION IN SPECIE AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of a final dividend of HK\$0.06 (2013: HK\$0.20) per share (the "Final Dividend") for the year ended 31 December 2014 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 5 May 2015. The register of shareholders will be closed on 5 May 2015, during which period no transfer of shares will be registered. To qualify for the Final 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 4 May 2015. The relevant dividend warrants will be dispatched to shareholders on or around 15 May 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2014, 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 Corporate Governance Code and Corporate Governance Report for the year 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 2014.

On behalf of the Board
Lau Chuk Kin
Chairman

Hong Kong, 3 March 2015

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 2014 of the Company will also be published on the aforesaid websites in due course.