THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Cinderella Media Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

CINDERELLA MEDIA GROUP LIMITED
先 傳 媒 集 團 有 限 公 司*

(Continued in Bermuda with limited liability)

(Stock Code: 550)

(1) SPECIAL DEAL, CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF CINMEDIA INC. AND EASKING LIMITED; AND (2) NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to Cinderella Media Group Limited

OPTIMA CAPITAL

Optima Capital Limited

Independent Financial Adviser to the Code IBC, the Listing Rules IBC and the Independent Shareholders

上銀國際有限公司

BOSC International Company Limited

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 5 to 15 of this circular. A letter from the Code IBC containing its recommendation to the Independent Shareholders is set out on pages 16 to 17 of this circular. A letter from the Listing Rules IBC containing its recommendation to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Code IBC and the Listing Rules IBC and the Independent Shareholders is set out on pages 20 to 36 of this circular.

A notice convening the SGM to be held at 10:00 a.m. on Friday, 21 August 2015 at 26th Floor, 625 King's Road, North Point, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

* *For identification purpose only*

5 August 2015

CONTENTS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	the meaning ascribed to it under the Takeovers Code
"associate"	the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CinMedia"	CinMedia Inc., a company incorporated in the BVI and a wholly-owned subsidiary of Recruit (BVI) before completion of the Disposal
"CinMedia Group"	CinMedia and its subsidiaries
"City Apex"	City Apex Limited, a company incorporated under the laws of the BVI
"Code IBC"	an independent committee of the Board established pursuant to the Takeovers Code to give recommendations to the Independent Shareholders on the Disposal
"Company"	Cinderella Media Group Limited, a company incorporated in the Cayman Islands with limited liability and continued in Bermuda as an exempted company, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 550)
"connected person(s)"	the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company and the term "Director" shall be construed accordingly
"Disposal"	the transactions contemplated under the Disposal Agreement

"Disposal Agreement"	the disposal agreement dated 1 June 2015 and entered into simultaneously with the Sale and Purchase Agreement between Recruit (BVI) and ER2, pursuant to which Recruit (BVI) agreed to sell and ER2 agreed to purchase the entire issued share capital and shareholders' loan(s) of each of CinMedia and Easking at a total consideration of HK$12,500,000 on and subject to the terms and conditions contained therein and as supplemented by a supplemental agreement dated 10 June 2015
"Disposal Group"	the CinMedia Group and the Easking Group
"Easking"	Easking Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Recruit (BVI) before completion of the Disposal
"Easking Group"	Easking and its subsidiaries
"ER2"	ER2 Holdings Limited, a company incorporated in Hong Kong which is beneficially owned as to 67% by Mr. Lau Chuk Kin (an executive Director) and as to 12% by Mr. Wan Siu Kau (a non-executive Director)
"Executive"	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Financial Adviser" or "BOSC International"	BOSC International Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Code IBC, the Listing Rules IBC and the Independent Shareholders in relation to the Disposal
"Independent Shareholders"	Shareholders other than City Apex and ER2, their respective associates and parties acting or presumed to be acting in concert with any of them and those who are involved or interested in the Disposal and/or the Sale and Purchase Agreement
"Joint Announcement"	the joint announcement of the Company and the Joint Offerors dated 9 July 2015 in relation to, among other things, the Sale and Purchase Agreement, the Offer and the Disposal

"Joint Offerors"	Upsky Global Limited, Metro Victory Holdings Limited and Polaris Investment Management Limited, each being a company incorporated in the BVI with limited liability
"Last Trading Day"	1 June 2015, being the last trading day for the Shares prior to the suspension of trading in the Shares pending the release of the Joint Announcement
"Latest Practicable Date"	3 August 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Listing Rules IBC"	an independent committee of the Board established pursuant to the Listing Rules to give recommendation to the Independent Shareholders on the Disposal
"Offer"	the mandatory unconditional cash offer to be jointly made by Bridge Partners Capital Limited and Kingston Securities Limited for and on behalf of the Joint Offerors to acquire all the issued Shares other than those already owned by the Joint Offerors and parties acting in concert with any of them pursuant to Rule 26.1 of the Takeovers Code
"Optima Capital"	Optima Capital Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, and the financial adviser to the Company in relation to the Disposal and the Offer
"PRC"	the People's Republic of China which, for the purposes of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Recruit (BVI)"	Recruit (BVI) Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
"Remaining Group"	the Group immediately after completion of the Disposal
"Sale and Purchase Agreement"	the sale and purchase agreement dated 1 June 2015 entered into between City Apex, ER2 and the Joint Offerors for the sale and purchase of the Sale Shares

"Sale and Purchase Completion"	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
"Sale Shares"	183,632,000 Shares, legally and beneficially owned by City Apex and ER2 as at the date of the Sale and Purchase Agreement and immediately prior to Sale and Purchase Completion, representing approximately 55.015% of the total issued share capital of the Company as at the Latest Practicable Date
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held to consider and approve the Disposal
"Shareholders"	holders of the Shares and the term "Shareholder" shall be construed accordingly
"Shares"	ordinary shares of HK$0.20 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares and the term "Share" shall be construed accordingly
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"HK$"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

CINDERELLA MEDIA GROUP LIMITED
先傳媒集團有限公司*

(Continued in Bermuda with limited liability)
(Stock Code: 550)

Executive directors:
Lau Chuk Kin
Lam Mei Lan

Non-executive directors:
Wan Siu Kau
Lee Ching Ming, Adrian
Peter Stavros Patapios Christofis

Independent non-executive directors:
Ling Lee Ching Man, Eleanor
Cheng Ping Kuen, Franco
Ho David

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
26th Floor
625 King's Road
North Point
Hong Kong

5 August 2015

To the Shareholders

Dear Sir or Madam,

SPECIAL DEAL, CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF CINMEDIA INC. AND EASKING LIMITED

INTRODUCTION

After the Stock Exchange trading hours on 1 June 2015, ER2 and Recruit (BVI) entered into the Disposal Agreement, pursuant to which ER2 conditionally agreed to purchase and Recruit (BVI) conditionally agreed to sell the entire issued share capital in and the shareholders' loans(s) of each of CinMedia and Easking at an aggregate cash consideration of HK$12,500,000. The Disposal constitutes a connected transaction and a very substantial disposal for the Company under the Listing Rules and a "Special Deal" under Note 4 to Rule 25 of the Takeovers Code. The Disposal is therefore subject to the approval of the Independent Shareholders and the consent of the Executive.

* *For identification purpose only*

The Company was informed after the Stock Exchange trading hours on 1 June 2015 that City Apex, ER2 and the Joint Offerors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors had conditionally agreed to acquire and City Apex and ER2 had conditionally agreed to sell an aggregate of 183,632,000 Sale Shares, representing approximately 55.015% of the existing issued share capital of the Company as at the Latest Practicable Date. The consideration for the Sale Shares was HK$374,242,016, representing HK$2.038 per Sale Share.

Pursuant to the Sale and Purchase Agreement, City Apex and ER2 have given certain warranties to the Joint Offerors in connection with the assets value of the Remaining Group at the Sale and Purchase Completion, namely that: (i) the net assets value of the Remaining Group upon the Sale and Purchase Completion shall not be less than HK$130 million; and (ii) the aggregate value of the properties owned by the Remaining Group and cash in the Company's bank account in Hong Kong (including all cash received and receivable under the Disposal Agreement) after the completion of the Disposal and as at the Sale and Purchase Completion shall not be less than HK$105 million. The Sale and Purchase Completion is conditional on, among other things, the Disposal Agreement becoming unconditional.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal, (ii) the recommendation of the Code IBC and the Listing Rules IBC to the Independent Shareholders in relation to the Disposal; (iii) the letter of advice from the Independent Financial Adviser to the Code IBC, the Listing Rules IBC and the Independent Shareholders in the same regard; (iv) financial information of the Group; (v) financial information of the Disposal Group; (vi) unaudited pro forma financial information of the Remaining Group; and (vii) the notice of the SGM, at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

THE DISPOSAL AGREEMENT

Date

1 June 2015

Parties

(i) Recruit (BVI) (as vendor); and

(ii) ER2 (as purchaser).

The principal business activity of ER2 is investment holding and its principal asset is its investment in 77% of City Apex. As at the Latest Practicable Date, ER2 is beneficially interested in 5,678,000 Shares, representing approximately 1.701% of the issued share capital of the Company. Mr. Lau Chuk Kin (an executive Director and Chairman of the Company) and Mr. Wan Siu Kau (a non-executive Director) beneficially own 67% and 12% of the issued share capital of ER2 respectively. The remaining shareholding interest in ER2 is beneficially owned as to 15% by Mr. Martin Tang Yue-Nien (a director of ER2), as to 5% by Excalibur Limited (which is ultimately owned by Dr. Lo Ka Shui, who is beneficially interested in 150,000 Shares (representing approximately 0.045% of the issued share capital of the Company)) and as to 1% by Fontaine Trust held on behalf of a third party independent of the Company and its connected persons, save for being co-investors with Mr. Lau Chuk Kin and Mr. Wan Siu Kau in ER2. City Apex is owned as to 77% by ER2 and as to 23% by Wellsmart Assets Limited, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited. City Apex holds 177,954,000 Shares, representing approximately 53.314% of the issued share capital of the Company. The Great Eagle Company, Limited, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited, holds 21,638,000 Shares, representing approximately 6.483% of the issued share capital of the Company. By virtue of Mr. Lau Chuk Kin's interests in ER2, ER2 is a connected person of the Company.

Assets to be disposed of

Pursuant to the Disposal Agreement, ER2 conditionally agreed to purchase and Recruit (BVI) conditionally agreed to sell the entire issued share capital in, and the shareholders' loans owed by, the Disposal Group at an aggregate cash consideration of HK$12,500,000. The shareholders' loans owed by the Disposal Group to Recruit (BVI) amounted to approximately HK$19.3 million as at 31 May 2015. Details of the Disposal Group are set out in the section headed "Information on the Disposal Group" below.

Consideration for the Disposal

The aggregate consideration for the Disposal is HK$12,500,000, which shall be paid by ER2 to Recruit (BVI) in cash upon completion of the Disposal.

The aggregate consideration for the Disposal was determined with reference to the latest financial position of the Disposal Group and the amount of the shareholders' loans owed by the Disposal Group to Recruit (BVI), and taking into account the deteriorating financial performance of the Disposal Group and the market outlook for the inflight magazine advertising business. The consideration of HK$12.5 million for the Disposal approximates the sum of the unaudited combined net liabilities of the Disposal Group of approximately HK$7.0 million and the shareholders' loans owed by the Disposal Group to Recruit (BVI) of approximately HK$19.3 million as at 31 May 2015.

Conditions precedent

Completion of the Disposal is conditional upon fulfillment of the following conditions:

(i) the passing of the necessary resolutions by the Independent Shareholders at the SGM approving the Disposal Agreement and the transactions contemplated thereunder; and

(ii) the Executive granting the consent under Note 4 to Rule 25 of the Takeovers Code in respect of the Disposal Agreement and the transactions contemplated thereunder in accordance with all applicable requirements under the Takeovers Code.

The aforesaid conditions are incapable of being waived by the parties to the Disposal Agreement. If the aforesaid conditions are not fulfilled on or before 30 November 2015, or such later date as the parties to the Disposal Agreement may agree in writing, the Disposal Agreement shall lapse immediately thereafter and be of no further effect and neither party to the Disposal Agreement shall have any claim against or liability or obligation to the other party under the Disposal Agreement save for any antecedent breaches. The Company has made an application to the Executive to seek for the consent under Note 4 to Rule 25 of the Takeovers Code in relation to the Disposal. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Completion

Subject to the fulfillment of the conditions precedent under the Disposal Agreement, completion of the Disposal shall take place simultaneously with the Sale and Purchase Completion.

Upon completion of the Disposal, members of the CinMedia Group and the Easking Group will cease to be subsidiaries of the Company and the results, assets and liabilities of the CinMedia Group and the Easking Group will no longer be consolidated into the financial statements of the Group. The Company will cease to hold any shares in the CinMedia Group and the Easking Group upon completion of the Disposal.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Group comprises the CinMedia Group and the Easking Group. CinMedia and Easking are companies incorporated in the BVI and Hong Kong respectively and are indirect wholly-owned subsidiaries of the Company before completion of the Disposal. The CinMedia Group and the Easking Group are principally engaged in the inflight magazine advertising business.

The Disposal Group is the exclusive advertising agent for the inflight magazines published by major airlines in the PRC, namely China Eastern Airlines and China Southern Airlines. These magazines have accounted for the majority of the sales and costs of the Disposal Group. The Disposal Group is also the exclusive advertising agent for the inflight magazines published by China Airlines and Hong Kong Airlines and non-exclusive agent for other publications. Major customers for the inflight magazines include international brandnames for luxury goods mainly based in the PRC. The major operating cost to carry out this business is the fees payable to airlines under the agency contracts. The fee structure payable to airlines varies from contract to contract and generally comprises: (i) a fixed annual fee; and/or (ii) a variable fee calculated based on (a) certain percentages of the amount of advertising income in excess of the predetermined fixed annual fee or (b) the number of pages of advertisements published. If a fixed annual fee is charged, the fixed fees for the exclusive advertising agency contracts are substantial relative to the total advertising income, and any decline in advertising income may pose a significant impact to the financial results of the business. Other operating costs include printing and editorial fees which are relatively immaterial.

The Disposal Group has recently been informed by China Southern Air Media Co., Ltd. ("CSA Media") that it will not renew the advertising agency contract with the Disposal Group upon expiry on 31 December 2015. The other contract with China Eastern Airlines Media Co., Ltd. ("CEA Media") will expire on 31 December 2016. As the advertising revenue generated from the inflight magazines of China Southern Airlines and China Eastern Airlines accounted for over 50% and 30% of the turnover of the Disposal Group respectively for the years ended 31 December 2013 and 2014, the Company expects that the results of the Disposal Group would be affected due to non-renewal of the contract with CSA Media and in the event the contract with CEA Media is not renewed upon expiry on 31 December 2016.

The accountant's reports on the CinMedia Group and the Easking Group for the three financial years ended 31 December 2012, 2013 and 2014 and the five months ended 31 May 2015 are set out on pages IIA-1 to IIA-45 and pages IIB-1 to IIB-37 of this circular respectively. Set out below is the selected audited consolidated financial information of the Disposal Group for each of the three years ended 31 December 2012, 2013 and 2014 and the five months ended 31 May 2014 and 2015 and as at 31 May 2015:

	For the year ended 31 December			For the five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$000	*HK$000*	*HK$000*	*HK$000*	*HK$000*
Profit/(loss) before taxation					
The CinMedia Group	157,211	55,000	19,628	13,537	(4,711)
The Easking Group	143	(686)	(5,772)	665	(21,575)
Adjustment for provision *(Note)*	–	–	4,692	–	–
The Disposal Group	157,354	54,314	18,548	14,202	(26,286)

	For the year ended 31 December			For the five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$000	*HK$000*	*HK$000*	*HK$000*	*HK$000*
Profit/(loss) after taxation					
The CinMedia Group	111,077	36,090	16,090	9,236	(4,778)
The Easking Group	93	(1,273)	(16,435)	(2,871)	(24,628)
Adjustment for provision *(Note)*	–	–	4,692	–	–
The Disposal Group	111,170	34,817	4,347	6,365	(29,406)

	As at 31 May 2015
	HK$000
Net assets/(liabilities) value	
The CinMedia Group	30,862
The Easking Group	(42,556)
Adjustment for provision *(Note)*	4,692
The Disposal Group	(7,002)

Note: In previous years, advances were made by the CinMedia Group to the Easking Group to support its working capital requirement. As the Easking Group recorded a net liability value as at 31 December 2014 and the repayment capability was doubtful, the CinMedia Group made a provision of approximately HK$4.7 million against the advances in its accounts as at 31 December 2014. When considering the financial information of the Disposal Group as a whole, such provision is reversed to reinstate the advances in the accounts of the CinMedia Group, which would then be eliminated with the corresponding inter-company balance recorded in the accounts of the Easking Group.

FINANCIAL EFFECTS OF THE DISPOSAL

Assets and liabilities

As stated in the unaudited pro forma consolidated statement of financial position of the Remaining Group as set out in Appendix III to this circular, assuming that the Disposal had taken place on 30 June 2015, the total assets of the Remaining Group as at 30 June 2015 would have been decreased from approximately HK$220.5 million to approximately HK$144.3 million, and the total liabilities of the Remaining Group as at 30 June 2015 would have been decreased from approximately HK$83.3 million to HK$9.7 million.

Earnings

As stated in the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group as set out in Appendix III to this circular, the profit for the year ended 31 December 2014 (including both continuing and discontinued operations) would have been decreased from approximately HK$94.6 million to HK$28.6 million and the profit from continuing operations of approximately HK$18.0 million for the year ended 31 December 2014 would have been changed to loss of approximately HK$48.1 million as if the Disposal had taken place on 1 January 2014, primarily attributable to the exclusion of the profit or loss generated from the Disposal Group for the year ended 31 December 2014 and the loss on the Disposal of approximately HK$61.7 million. Such loss on the Disposal is calculated as if the Disposal had taken place on 1 January 2014 and is based on the combined net liabilities value of the Disposal Group as at 1 January 2014 and is shown in the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for illustrative purposes only. Please refer to the expected gain on the Disposal of approximately HK$0.4 million below which is calculated as if the Disposal had been completed on 30 June 2015.

As illustrated in the unaudited pro forma financial information of the Remaining Group as set out in Section A of Appendix III to this circular, it is estimated that the Company will realise a gain on the Disposal of approximately HK$0.4 million after deducting transaction costs and expenses directly attributable thereto, which is calculated with reference to the consideration of the Disposal of HK$12.5 million less the sum of (i) the combined net liabilities of the Disposal Group of approximately HK$7.0 million as at 31 May 2015; (ii) the amount of shareholders' loans owing by the Disposal Group to Recruit (BVI) of approximately HK$19.3 million as at 31 May 2015; (iii) the estimated transaction costs and expenses directly attributable to the Disposal of approximately HK$2.5 million; and (iv) net movement of net liabilities of the Disposal Group in June 2015 of HK$0.2 million and plus the release of exchange reserve of the Disposal Group of approximately HK$3.0 million as at 31 May 2015. The actual gain or loss on the Disposal may be different from the pro forma amount described above as the carrying amounts of assets and liabilities of the Disposal Groups on the completion date of the Disposal will differ from their carrying amounts as at 31 May 2015. It is also subject to change as the actual professional fees and related expenses will differ from the assumed amounts used in the preparation of the unaudited pro forma financial information.

Please also refer to the reports issued by BDO Limited on the unaudited pro forma financial information of the Remaining Group and by Optima Capital on the unaudited pro forma net assets of the Remaining Group as set out in Appendix III and Appendix IV to this circular respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in advertising media business, specifically recruitment magazine advertising and in-flight magazine advertising, and investment holding.

The operating environment for the Group's inflight magazine advertising business has been difficult in recent years. Magazine readership in the PRC has been in decline as more readers have been turning to digital platforms for the latest news and entertainment. In particular, the development and provision of internet and digital media in aircrafts and airport terminals has had a significant impact on the Group's traditional print media advertising business. Further, the slowdown in the growth of luxury goods sales in the PRC as a result of the anti-graft campaign by the PRC government and changes in consumption patterns led by the emerging Chinese middle class have also directly affected the Group's inflight magazine advertising business. As illustrated in the section headed "Information on the Disposal Group" above, the audited net profit after taxation of the CinMedia Group for the year ended 31 December 2014 dropped by approximately 55.4% as compared to the preceding year whereas the audited net loss after taxation of the Easking Group increased to approximately HK$16.4 million for the year ended 31 December 2014 from approximately HK$1.3 million for the preceding year. The aggregate revenue of the CinMedia Group and the Easking Group had experienced a decreasing trend for the three years ended 31 December 2014 and the five months ended 31 May 2015. It dropped by approximately 45.6% for the year ended 31 December 2014 when compared to the year ended 31 December 2012, and dropped by approximately 33.8% for the five months ended 31 May 2015 when compared to the same period in the preceding year. Please refer to the financial information of the CinMedia Group set out in Appendix IIA and the financial information of the Easking Group set out in Appendix IIB to this circular for further information about revenue and other financial information of the CinMedia Group and the Easking Group.

The downward trend of the Group's inflight magazine advertising business has continued in the first half of 2015. As disclosed in the Company's interim report for the six months ended 30 June 2015 published on 30 July 2015, the unaudited turnover of the Group's inflight magazines advertising business was approximately HK$133.2 million for the six months ended 30 June 2015, representing a decrease of approximately 34.0% (2014: HK$201.6 million). The inflight magazines business recorded a gross loss of approximately HK$3.5 million for the six months ended 30 June 2015 (2014: gross profit of HK$31.1 million) because the fixed direct and indirect costs did not decrease correspondingly with the turnover.

As the Group expects the challenging operating environment of the inflight magazine business to persist (particularly after the non-renewal of the advertising contract with CSA Media) while the market outlook of print advertising in the PRC will remain gloomy in the near future, the Directors have decided to proceed with the Disposal in order to contain the loss from this sector.

The net proceeds from the Disposal, after deducting transaction costs and expenses directly attributable thereto, is estimated to be approximately HK$10 million. The Board intends to apply such net proceeds, subject to the review by the Joint Offerors of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group, to the Remaining Group's existing business as follows: (i) as to HK$3 million to revamp the recruitonline.com website; (ii) as to HK$3 million for marketing campaigns to strengthen the "Recruit" brand; (iii) as to HK$2 million to strengthen the sales force by increasing the number of staff and payment of commission for direct sales and placement of part-time and temporary jobs; and (iv) as to the balance of HK$2 million as other general working capital. Please refer to the section headed "Information relating to the Remaining Group" below for further details about the business development plan of the Remaining Group.

INFORMATION RELATING TO THE REMAINING GROUP

The Remaining Group is principally engaged in recruitment advertising and investment holding. The Remaining Group has an operating history of more than 20 years and provides both print and online advertising to job seekers and recruitment advertisers in Hong Kong. Since July 1992, the Remaining Group has distributed free publications dedicated to recruitment advertising in Hong Kong on a regular basis. The Remaining Group is the publisher of two recruitment advertising magazines, namely "Recruit" and "Like", which are distributed for free at major MTR stations, selected convenience stores, coffee shops, universities, tertiary institutions and areas with high pedestrian flow, and are targeted to white-collar job seekers in Hong Kong. The Remaining Group also operates an English-Chinese bilingual website, recruitonline.com, which aims to provide a personalized solution to job seekers and recruitment advertisers located in Hong Kong.

The revenue of the Remaining Group is mainly derived from advertising income generated from these two magazines and website which contain editorial content and advertisement and is dependent on the local recruitment market. The Remaining Group has a stable and diverse customer base. The major customers of the Remaining Group comprise advertising agencies which place advertisements on behalf of their clients and a wide spectrum of companies based in Hong Kong from various industries (such as restaurant chains, department stores, educational institutions, financial institutions, theme parks and supermarkets) which seek to publish advertisements through the recruitment magazines and website operated by the Remaining Group. The major suppliers of the Remaining Group are printing companies for the recruitment magazines. Unlike the operating cost structure of the inflight magazine business which includes the payment of substantial agency fee to airlines, the major operating costs of the recruitment magazines and website are printing and distribution costs. At present, the Remaining Group has around 50 staff, including the general manager, the chief editor and two sales managers. The Remaining Group intends to consolidate its leadership position as an advertising provider in the recruitment market by strengthening its sales force, enhancing its recruitonline.com website to strengthen its competitiveness and promoting the publicity of the "Recruit" and "Like" brand names. The Company has no intention to scale down or dispose of the Remaining Group.

Going forward, the Remaining Group has the following business development plan which have been determined by the existing Board and endorsed by the Joint Offerors:

(i) Strengthening the website and the sales force

In light of the increasing popularity of digital media, the Remaining Group plans to revamp the website to improve its viewership and competitiveness. The Remaining Group intends to engage IT professionals to assist in re-designing the website which will have improved content display and be more user friendly. In addition, the Remaining Group plans to expand its sales team by hiring additional direct sales staff to promote the website and the recruitment magazines to potential customers. The Remaining Group has allocated HK$3 million and HK$2 million from the proceeds from the Disposal for the revamp of the website and hiring of additional sales staff respectively.

(ii) Organising marketing campaigns to strengthen the "Recruit" and "Like" brand names

The Remaining Group plans to organise more recruitment job fairs in areas with high pedestrian flow such as shopping malls and/or community centres to generate more revenue and undertake marketing campaigns such as placing advertisements on public transports to promote the "Recruit" and "Like" brand names. The Remaining Group commenced organising job fairs since 2012. The management of the Remaining Group plans to hold on average ten job fairs each year, of which two to three would be mega job fairs with a larger number of participants and held in a larger venue. Out of the proceeds from the Disposal, HK$3 million is allocated for marketing campaigns including organising job fairs and placing advertisements to promote the "Recruit" and "Like" brand names.

(iii) Enhancing the penetration to the part-time and temporary job market

According to a report issued by the Hong Kong Statistic Department, there are about 220,000 part-time and temporary jobs (the "Interim Jobs") in Hong Kong in 2012. These jobs are transient which require frequent hiring. The Remaining Group was aware of the potential growth in such area and has dedicated a category in the "Recruit" magazine and the website for advertising the Interim Jobs. Having considered the leading position of "Recruit" as the recruitment advertising media for the retail and catering sectors which have relatively higher mobility, the Remaining Group intends to actively promote the advertisement for Interim Jobs by assigning specific column in the recruitment magazines and the website and setting up separate booths at job fairs for Interim Jobs.

Leveraging on the existing database and customers relationship, the Remaining Group intends to provide placement services for Interim Jobs vacancies for customers to supplement its advertising services. The Remaining Group will charge fee based on a certain percentage of the monthly salary of successful placement of Interim Jobs. The Remaining Group plans to set up a team comprising 2 staff for the provision of job placement services. The Remaining Group had experience in providing job placement services in China in 2007. Other than staff costs, the Remaining Group does not expect it would incur any other significant costs for such services.

IMPLICATIONS OF THE DISPOSAL UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Takeovers Code

The Disposal constitutes a "Special Deal" under Note 4 to Rule 25 of the Takeovers Code and requires, among other things, the consent of the Executive. Such consent, if granted under Note 4 to Rule 25 of the Takeovers Code, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the terms of the Disposal are fair and reasonable; and (ii) the approval of the Disposal by the Independent Shareholders by way of poll at the SGM. The Company has made an application to the Executive to seek for the consent under Note 4 to Rule 25 of the Takeovers Code in relation to the Disposal.

Listing Rules

As certain applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, by virtue of Mr. Lau Chuk Kin's interest in ER2, the Disposal also constitutes a connected transaction of the Company and is subject to the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The voting in respect of the Disposal will be conducted by way of poll. City Apex, ER2, their respective associates and parties acting or presumed to be acting in concert with any of them including The Great Eagle Company, Limited (a fellow subsidiary of Wellsmart Assets Limited which in turn holds 23% of the issued share capital of City Apex), Dr. Lo Ka Shui (a director of City Apex and the ultimate beneficial owner of Excalibur Limited, a company which owns 5% shareholding interest in ER2) and those who are involved or interested in the Disposal and/or the Sale and Purchase Agreement including Ms. Lam Mei Lan (an executive Director) shall abstain from voting on the resolution approving the Disposal at the SGM. As at the Latest Practicable Date, City Apex and ER2 are interested in an aggregate of 183,632,000 Shares (representing approximately 55.015% of the issued share capital of the Company); The Great Eagle Company, Limited is interested in 21,638,000 Shares (representing approximately 6.483% of the issued share capital of the Company); Dr. Lo Ka Shui is directly interested in 150,000 Shares (representing approximately 0.045% of the issued share capital of the Company); and Ms. Lam Mei Lan is directly interested in 2,400,000 Shares (representing approximately 0.719% of the issued share capital of the Company). Save for the 5,678,000 Shares owned by ER2 (a company which is owned as to 67% by Mr. Lau Chuk Kin and 12% by Mr. Wan Siu Kau) and the 177,954,000 Shares owned by City Apex (a company which is owned as to 77% by ER2), Mr. Lau Chuk Kin and Mr. Wan Siu Kau were not interested in any Shares as at the Latest Practicable Date.

Mr. Lau Chuk Kin and Mr. Wan Siu Kau, who respectively beneficially owns 67% and 12% of the issued share capital of ER2, have abstained from voting on the Board resolution approving the Disposal Agreement and the transactions contemplated thereunder.

SGM

A notice convening the SGM to be held at 10:00 a.m. on Friday, 21 August 2015 at 26th Floor, 625 King's Road, North Point, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

RECOMMENDATION

The Directors (including members of the Code IBC and the Listing Rules IBC whose views have been set out in the letter from the Code IBC on pages 16 to 17 and the letter from the Listing Rules IBC on pages 18 to 19 of this circular after taking into account the advice of BOSC International) consider that (i) while the Disposal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Code IBC set out on pages 16 to 17 and the letter from the Listing Rules IBC set out on pages 18 to 19 of this circular which contain their respective recommendation to the Independent Shareholders as to voting at the SGM and the letter from BOSC International set out on pages 20 to 36 of this circular which contain its advice to the Code IBC, the Listing Rules IBC and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder.

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Cinderella Media Group Limited
Lam Mei Lan
Executive Director

The following is the text of a letter from the Code IBC setting out its recommendation to the Independent Shareholders in relation to the Disposal Agreement and the transactions contemplated thereunder.

CINDERELLA MEDIA GROUP LIMITED
先傳媒集團有限公司*
(Continued in Bermuda with limited liability)
(Stock Code: 550)

5 August 2015

To the Independent Shareholders

Dear Sir or Madam,

SPECIAL DEAL, CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF CINMEDIA INC. AND EASKING LIMITED

We refer to the circular of the Company dated 5 August 2015 (the "**Circular**"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the members of the Code IBC to advise you as to whether, in our opinion, (i) the Disposal is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. BOSC International has been appointed as the independent financial adviser to advise us and you in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration, are set out on pages 20 to 36 of the Circular.

Having considered the terms of the Disposal Agreement and the advice of BOSC International, we are of the opinion that (i) while the Disposal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the

Independent Shareholders are concerned. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
The Code IBC

Mr. Lee Ching Ming, Adrian	**Mr. Peter Stavros Patapios Christofis**
Non-executive Director	*Non-executive Director*

Mrs. Ling Lee Ching Man, Eleanor	**Mr. Cheng Ping Kuen, Franco**	**Mr. Ho David**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter from the Listing Rules IBC setting out its recommendation to the Independent Shareholders in relation to the Disposal Agreement and the transactions contemplated thereunder.

CINDERELLA MEDIA GROUP LIMITED
先傳媒集團有限公司*
(Continued in Bermuda with limited liability)
(Stock Code: 550)

5 August 2015

To the Independent Shareholders

Dear Sir or Madam,

SPECIAL DEAL, CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF CINMEDIA INC. AND EASKING LIMITED

We refer to the circular of the Company dated 5 August 2015 (the "**Circular**"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the members of the Listing Rules IBC to advise you as to whether, in our opinion, (i) the Disposal is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. BOSC International has been appointed as the independent financial adviser to advise us and you in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration, are set out on pages 20 to 36 of the Circular.

Having considered the terms of the Disposal Agreement and the advice of BOSC International, we are of the opinion that (i) while the Disposal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the

Independent Shareholders are concerned. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
The Listing Rules IBC

Mrs. Ling Lee Ching Man, Eleanor	**Mr. Cheng Ping Kuen, Franco**	**Mr. Ho David**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the letter of advice from BOSC International to the Code IBC, the Listing Rules IBC and the Independent Shareholders in relation to the Disposal Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

上銀國際有限公司
BOSC International Company Limited

Suite 2608-2611 Citibank Tower
Citibank Plaza, 3 Garden Road
Hong Kong

5 August 2015

To the Code IBC, the Listing Rules IBC and
the Independent Shareholders

Dear Sir or Madam,

SPECIAL DEAL, CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF CINMEDIA INC. AND EASKING LIMITED

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Code IBC, the Listing Rules IBC and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company (the "**Circular**") to the Shareholders dated 5 August 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 9 July 2015, the Company announced that, among other things:

(a) on 1 June 2015 (after trading hours of the Stock Exchange), City Apex, ER2 and the Joint Offerors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors had conditionally agreed to acquire and City Apex and ER2 had conditionally agreed to sell an aggregate of 183,632,000 Sale Shares, representing approximately 55.015% of the existing issued share capital of the Company as at the Latest Practicable Date, at the consideration of HK$374,242,016 (representing HK$2.038 per Sale Share) in cash; and

(b) on the same date after trading hours of the Stock Exchange, ER2 and Recruit (BVI) entered into the Disposal Agreement, pursuant to which ER2 conditionally agreed to purchase and Recruit (BVI) conditionally agreed to sell the entire issued share capital in and the shareholders' loan(s) of each of CinMedia and Easking at an aggregate cash consideration of HK$12,500,000.

Subject to the fulfillment of the conditions precedent under the Disposal Agreement, completion of the Disposal shall take place simultaneously with the Sale and Purchase Completion.

Assuming the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with any of them will own a total of 183,632,000 Shares, representing approximately 55.015% of the issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, subject to the Sale and Purchase Completion, the Joint Offerors will be required to make the mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them).

As certain applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, by virtue of Mr. Lau Chuk Kin's interest in ER2, the Disposal also constitutes a connected transaction of the Company and is subject to the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Disposal also constitutes a "Special Deal" under Note 4 to Rule 25 of the Takeovers Code and requires, among other things, the consent of the Executive and the approval by the Independent Shareholders by way of poll at the SGM.

City Apex, ER2, their respective associates and parties acting or presumed to be acting in concert with any of them including The Great Eagle Company, Limited (a fellow subsidiary of Wellsmart Assets Limited which in turn holds 23% of the issued share capital of City Apex), Dr. Lo Ka Shui (a director of City Apex and the ultimate beneficial owner of Excalibur Limited, a company which owns 5% shareholding interest in ER2) and those who are involved or interested in the Disposal and/or the Sale and Purchase Agreement including Ms. Lam Mei Lan (an executive Director) shall abstain from voting on the resolution approving the Disposal at the SGM. As at the Latest Practicable Date, City Apex and ER2 are interested in an aggregate of 183,632,000 Shares (representing approximately 55.015% of the issued share capital of the Company); The Great Eagle Company, Limited is interested in 21,638,000 Shares (representing approximately 6.483% of the issued share capital of the Company); Dr. Lo Ka Shui is directly interested in 150,000 Shares (representing approximately 0.045% of the issued share capital of the Company); and Ms. Lam Mei Lan is directly interested in 2,400,000 Shares (representing approximately 0.719% of the issued share capital of the Company). Save for the 5,678,000 Shares owned by ER2 (a company which is owned as to 67% by Mr. Lau Chuk Kin and 12% by Mr. Wan Siu Kau) and the 177,954,000 Shares owned by City Apex (a company which is owned as to 77% by ER2), Mr. Lau Chuk Kin and Mr. Wan Siu Kau were not interested in any Shares as at the Latest Practicable Date.

Each of the Listing Rules IBC, comprising all the independent non-executive Directors (namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David), and the Code IBC, comprising all the non-executive Directors and independent non-executive Directors (namely Mr. Lee Ching Ming, Adrian, Mr. Peter Stavros Patapios Christofis, Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David but excluding Mr. Wan Siu Kau who has an equity interest in ER2), has been constituted to give a recommendation to the Independent Shareholders on the Disposal.

BASIS OF OUR OPINION

In formulating our opinion, we have relied upon the information, facts and representations contained in the Circular and those supplied or made available to us by the Company, the Directors and the representatives of the Company for which they are solely and wholly responsible, and to their information and knowledge, were true, accurate and complete in all respects at the time they were given or made and continue to be true, accurate and valid as at the Latest Practicable Date and can be relied upon. We have assumed that all statements and information supplied, and the opinions and representations made or provided to us by the Directors and the representatives of the Company and those contained in the Circular have been reasonably made after due and careful enquiry.

As stated in the Circular, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company, the Directors and the representatives of the Company or to believe that material information has been withheld or omitted from the information provided to us or referred to in the available documents. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the business or affairs or future prospects of the Company, CinMedia, Easking or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Disposal and the terms of the Disposal, we have considered the following principal factors and reasons:

1. Information on the Group

1.1 Principal business of the Group

The Group is currently principally engaged in advertising media business, specifically recruitment magazine advertising and inflight magazine advertising, and investment holding.

1.2 Historical financial performance of the Group

The unaudited consolidated financial results of the Company which were extracted from the interim report (the "**Interim Report**") of the Company for the six months ended 30 June 2015 and the audited consolidated financial results of the Group which were extracted from the annual report of the Company for the year ended 31 December 2014 are summarised as follows:

	Six months ended 30 June		For the year ended 31 December	
	2015 ("1H2015") (unaudited)	**2014 ("1H2014") (unaudited)**	**2014 ("FY2014") (audited)**	**2013 ("FY2013") (audited) (restated)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations				
Turnover	31,378	30,310	476,149	556,152
Gross profit	23,127	22,196	98,934	148,564
Profit for the year/period attributable to owners of the Company	7,825	6,984	17,960	51,873
Discontinued operations				
Profit/(Loss) for the year/period attributable to owners of the Company	(30,396)	88,651	60,953	73,526

1H2015 vs 1H2014

Continuing operations

For 1H2015, the continuing operations of the Group represented its Recruit magazine and website advertising business and investment holding.

For 1H2015, the Group recorded turnover from continuing operations of approximately HK$31.4 million, which represented an increase of approximately 3.5% as compared to that of approximately HK$30.3 million for 1H2014. As stated in the Interim Report, such increase was mainly attributable to the increase in sales attribution to online advertising. The Group recorded gross profit of approximately HK$23.1 million in 1H2015, representing an increase of approximately 4.2% as compared to that of HK$22.2 million in 1H2014, and a slight increase in gross profit margin to approximately 73.7% as compared to that of approximately 73.2% in 1H2014.

The Group recorded profit attributable to owners of the Company of approximately HK$7.8 million for 1H2015, which represented an increase of approximately 12.0% as compared to that of approximately HK$7.0 million for 1H2014. As stated in the Interim Report, such increase was mainly contributed by (i) the increase in revenue of approximately 3.5% as explained above; and (ii) the increase in other income by approximately 53% during the period which was mainly attributable to the increase in rental income of HK$0.5 million and gain on financial assets at fair value through profit and loss of approximately HK$0.2 million.

Discontinued operations

As stated in the Interim Report, the Disposal, if completed, constitutes the discontinuation of the inflight magazine advertising business entirely operated by CinMedia and Easking and is expected to be completed within twelve months. And thus, the discontinued operations of the Group for 1H2015 represented the inflight magazine advertising business.

As noted from the Interim Report, for 1H2015, the loss of approximately HK$30.4 million as compared to a profit of approximately HK$12.0 million in 1H2014 from the inflight magazine advertising business was mainly attributable to (i) the decrease in turnover of approximately 34.0%; (ii) the increase in selling and distribution expenses of approximately 64.8% mainly caused by the increase in sales staff costs; and (iii) the increase in other expenses mainly as a result of the bad debt provision made during the period. In 1H2014, the Group's discontinued printing operations also recorded a profit of approximately HK$76.7 million.

FY2014 vs FY2013

Continuing operations

The continuing operations of the Group represented its advertising media business, namely recruitment magazine advertising and inflight magazine advertising. For FY2014, the Group recorded turnover from continuing operations of approximately HK$476.1 million, which represented a decrease of approximately 14.4% as compared to that of approximately HK$556.2 million for FY2013. As stated in the FY2014 annual report of the Company, such decrease was mainly due to the unfavourable trading environment of the advertising business, under which the advertising industry went through a paradigm shift towards on-line channels and social media. In particular, the inflight magazine advertising business of the Group remained difficult in FY2014, which turnover for the segment decreased by approximately 15.5% as compared to FY2013, as magazine readership has been in decline and more readers have turned to digital platforms for latest news and entertainment. In addition, the decrease in luxury goods consumption in China and the anti-graft campaign by the Chinese government has led to changes in consumption patterns, which resulted in significantly less spending on print advertisements by luxury brands. The recruitment magazine and website advertising business of the Group also recorded a decrease in turnover by approximately 5.7% in FY2014 as compared to FY2013 mainly due to severe on-line and offline competition. 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. The Group recorded gross profit of approximately HK$98.9

million in FY2014, representing a decrease of approximately 33.4% as compared to that of approximately HK$148.6 million for FY2013, and a decrease in gross profit margin to approximately 20.8% as compared to that of approximately 26.7% for FY2013 mainly because the fixed costs relating to inflight magazine advertising business did not decrease correspondingly with the decrease in the turnover during the year.

The Group recorded profit attributable to owners of the Company of approximately HK$18.0 million for FY2014, which represented a decrease of approximately 65.4% as compared to that of approximately HK$51.9 million for FY2013. Such decrease was mainly caused by (i) the decrease in revenue of approximately 14.4% and the decrease in gross profit of approximately 33.4% in FY2014 due to the reasons explained above; (ii) the decrease in other revenue and net income by approximately 37.1% in FY2014 mainly due to the decrease in foreign exchange gain of approximately HK$2.9 million and interest income of approximately HK$1.1 million in the year; and (iii) the increase in administrative expenses by approximately 7.2% mainly due to the exchange loss realized on assets denominated in RMB, partially offset by the reduction in selling and distribution expenses by approximately 34.6% as a result of the decrease in agency commission expenses incurred.

Discontinued operations

On 2 May 2014, the Group distributed its 60.3% stake in 1010 Printing Group Limited (stock code: 1127, "**1010 Printing**") in specie to its then existing shareholders. As a result of the distribution in specie, 1010 Printing ceased to be a subsidiary of the Company. The operations of 1010 Printing represented the entire business segment of printing of the Group and therefore were presented as discontinued operations in the Group's FY2014 accounts. The profit of 1010 Printing before distribution of HK$39.7 million (FY2013: HK$121.4 million) and the gain on distribution of HK$37.0 million (FY2013: nil) were classified as profit from discontinued operations. After the distribution of 1010 Printing, the Group focuses its resources on advertising media business.

1.3 Financial position of the Group

Set out below is a summary of the unaudited consolidated assets and liabilities of the Company as at 30 June 2015, as extracted from the Interim Report:

	As at 30 June 2015 (unaudited) *HK$'000*
Non-current assets	38,562
Current assets	181,927
Total assets	**220,489**
Non-current liabilities	–
Current liabilities	83,316
Total liabilities	**83,316**
Equity attributable to owners of the Company	**137,173**

As mentioned under the paragraph headed "1H2015 vs 1H2014" above, the Disposal, if completed, constitutes the discontinuation of the inflight magazine advertising business entirely operated by CinMedia and Easking, and thus the assets and liabilities attributable to CinMedia and Easking were classified as a disposal group held for sale and are presented separately in the unaudited consolidated position of financial position of the Group as at 30 June 2015.

As at 30 June 2015, the Group's total assets amounted to approximately HK$220.5 million, mainly comprising of cash and cash equivalents of approximately HK$80.1 million (representing approximately 36.3% of total assets), assets classified as held for sale (representing the assets attributable to CinMedia and Easking) of approximately HK$86.2 million (representing approximately 39.1% of total assets), and investment properties of approximately HK$29.3 million (representing approximately 13.3% of total assets).

As at 30 June 2015, the Group's total liabilities amounted to approximately HK$83.3 million, mainly comprising of current liabilities directly associated with assets classified as held for sale (representing the liabilities attributable to CinMedia and Easking) of approximately HK$73.6 million (representing approximately 88.4% of total liabilities).

2. *The Disposal*

2.1 Information on the Disposal Group

The Disposal Group comprises the CinMedia Group and the Easking Group and is principally engaged in the inflight magazine advertising business. The Disposal Group is the exclusive advertising agent for the inflight magazines published by major airlines in the PRC, namely China Eastern Airlines and China Southern Airlines. The Disposal Group is also the exclusive advertising agent for the inflight magazines published by China Airlines and Hong Kong Airlines, and the non-exclusive agent for other publications. In 2014, the Disposal Group restructured its PRC sales companies, under which the CinMedia Group transferred the contracts with CSA Media and CEA Media (each as defined below) to the Easking Group. Major customers of the inflight magazine advertising business include international brand names for luxury goods. Major operating cost to carry out this business is the fees payable to airlines under the agency contracts, the structure of which varies from contract to contract and generally comprises (i) a fixed annual fee; and/or (ii) a variable fee calculated based on (a) certain percentages of the amount of advertising income in excess of the pre-determined fixed annual fee or (b) the number of pages of advertisements published. As the fixed fees, if charged, for the exclusive advertising agency contracts are substantial relative to the total advertising income, any decline in advertising income may pose a significant impact to the financial results of the business. Other operating costs include printing and editorial fees which are relatively immaterial.

For each of FY2013 and FY2014, the advertising turnover from the inflight magazines published by China Eastern Airlines and China Southern Airlines contributed a majority of the revenue of the Disposal Group. In particular, the advertising turnover generated from the inflight magazines of China Southern Airlines and China Eastern Airlines accounted for over 50% and 30%, respectively, of the turnover of the Disposal Group for each of FY2013 and FY2014. As noted from the announcements of the Company dated 10 June and 11 June 2015 respectively, China Southern Air Media Co., Ltd. ("**CSA Media**"), a subsidiary of China Southern Airlines, confirmed in writing that it will not renew the exclusive advertising agreement with the Disposal Group after its expiration on 31 December 2015, and China Eastern Airlines Media Co., Ltd ("**CEA Media**"), a subsidiary of China Eastern Airlines, has initiated discussion with the Group on the management of the exclusive advertising agreement for the inflight magazines which is due to expire on 31 December 2016. As noted from the said announcements, the advertising sales of the inflight magazines published by CSA Media amounted to approximately HK$262.8 million and HK$210.4 million for FY2013 and FY2014 respectively, accounting for approximately 47.3% and 44.2% of the total turnover from the continuing operations of the Group for the relevant year.

2.2 *Financial information on the Disposal Group*

Set out below is the audited consolidated financial information of the Easking Group as extracted from Appendix IIB to the Circular:

	Five months ended 31 May		Year ended 31 December		
	2015	2014	2014	2013	2012
	("5M2015")	("5M2014") (unaudited)	("FY2014")	("FY2013")	("FY2012")
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	104,104	144,131	352,980	12,804	1,928
Gross profit/(loss)	(11,334)	3,081	4,571	220	835
Profit/(loss) before income tax	(21,575)	665	(5,772)	(686)	143
Profit/(loss) for the period/year after tax attributable to owner of Easking	(24,628)	(2,871)	(16,435)	(1,273)	93

	As at 31 May 2015
	HK$'000
Non-current assets	287
Current assets	59,943
Total assets	**60,230**
Non-current liabilities	2,163
Current liabilities	100,623
Total liabilities	**102,786**
Equity attributable to owner of Easking	**(42,556)**

Set out below is the audited consolidated financial information of the CinMedia Group as extracted from Appendix IIA to the Circular:

	Five months ended 31 May		Year ended 31 December		
	2015	2014	2014	2013	2012
	("5M2015")	("5M2014") (unaudited)	("FY2014")	("FY2013")	("FY2012")
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	11,160	30,087	63,633	480,122	763,924
Gross profit/(loss)	4,569	24,609	51,268	103,229	201,053
Profit/(loss) before income tax	(4,711)	13,537	19,628	55,000	157,211
Profit/(loss) for the period/year after tax attributable to owner of CinMedia	(4,778)	9,236	16,090	36,090	111,077

	As at 31 May 2015
	HK$'000
Non-current assets	414
Current assets	43,237
Total assets	**43,651**
Non-current liabilities	295
Current liabilities	12,494
Total liabilities	**12,789**
Equity attributable to owner of CinMedia	**30,862**

Note: As advised by the Company, save for the provision in the amount of approximately HK$4.7 million made by the CinMedia Group in FY2014 on the amount due from the Easking Group (the effect of which was already adjusted when analysing the financial position of the Disposal Group as at 31 May 2015 and the profit/loss of the Disposal Group for FY2014 as set out below), there were no other inter-group balances and transactions between the CinMedia Group and the Easking Group for the five months ended 31 May 2015 and the three years ended 31 December 2014 (the "**Review Period**"). And thus, our analysis on the Disposal Group's financial performance during the Review Period set out below is on an aggregate basis.

Overview

For the Review Period, the Disposal Group's financial performance has been deteriorating. For FY2012, the Easking Group and the CinMedia Group recorded an aggregate profit after taxation amounting to approximately HK$111.2 million, which decreased to approximately HK$34.8 million for FY2013 and further decreased to approximately HK$4.3 million for FY2014 (after adjusted for a provision in the amount of approximately HK$4.7 million made by the CinMedia Group in FY2014 on the amount due from the Easking Group). For 5M2015, the Easking Group and the CinMedia Group recorded an aggregate loss after taxation amounting to approximately HK$29.4 million as compared to an aggregate profit after taxation amounting to approximately HK$6.4 million for 5M2014. Set out below is our analysis on the Disposal Group's financial performance during the Review Period.

For the five months ended 31 May 2015 compared to the five months ended 31 May 2014

The Easking Group and the CinMedia Group recorded an aggregate turnover of approximately HK$115.3 million for 5M2015, representing a decrease of approximately 33.8% as compared to the aggregate of approximately HK$174.2 million for 5M2014. Such decrease was mainly attributable to the reduction of advertising income of inflight magazines for CSA Media and CEA Media as a result of the reduction in spending on print advertisements by luxury brands customers and the anti-corruption measures taken by the Chinese government which have affected the sales of luxury goods in China. In addition, the development and provision of internet and digital media in aircrafts and airport terminals has had a significant impact on the Disposal Group's traditional print media advertising business. For 5M2015, the Easking Group and the CinMedia Group recorded an aggregate gross loss and an aggregate loss after taxation of approximately HK$6.8 million and HK$29.4 million respectively, as compared to an aggregate gross profit and an aggregate profit after taxation of approximately HK$27.7 million and HK$6.4 million respectively for 5M2014. The loss after taxation for 5M2015 was mainly due to the decrease in advertising income being proportionally larger than the decrease in direct operating costs, mainly as a result of the fixed fees paid to airlines did not decrease in proportion to the advertising income.

As at 31 May 2015, the CinMedia Group and the Easking Group recorded aggregate net current liabilities and net liabilities of approximately HK$5.2 million and HK$7.0 million (after adjusted for a provision in the amount of approximately HK$4.7 million made by the CinMedia Group in FY2014 on the amount due from the Easking Group) respectively. We note that the aggregate net current liabilities and net liabilities of the CinMedia Group and Easking Group as at 31 May 2015 were mainly attributable to the Easking Group, which recorded net current liabilities of approximately HK$40.7 million and net liabilities of approximately HK$42.6 million as at 31 May 2015. As noted from the section '2.1 Basis of preparation' in the accountant's report of the Easking Group as set out in Appendix IIB to the Circular, the conditions of the Easking Group indicate the existence of a material uncertainty which casts significant doubt on the Easking Group's ability to continue as a going concern and therefore, the Easking Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business. We consider that given that there is no indication that the Disposal Group's business would turnaround in the near future, especially in light of the non-renewal of the advertising agreement with CSA Media, the uncertainty on the renewal of the advertising agreement with CEA Media and the difficult trading environment of the Group's inflight magazine advertising business, it is uncertain as to whether the Easking Group has the ability to continue as a going concern without additional funding or financial support.

As at 31 May 2015, the Easking Group and the CinMedia Group recorded an aggregate total assets of approximately HK$103.9 million, which mainly comprised of aggregate trade and other receivables and deposit of approximately HK$36.4 million (representing approximately 35.0% of the aggregate total assets) and aggregate cash and balances of approximately HK$56.8 million (representing approximately 54.7% of the aggregate total assets).

As at 31 May 2015, the Easking Group and the CinMedia Group recorded an aggregate total liabilities of approximately HK$115.6 million, which mainly comprised of aggregate trade and other payables of approximately HK$79.8 million (representing approximately 69.1% of the aggregate total liabilities) and amount due to immediate holding company by the Easking Group of approximately HK$28.2 million (representing approximately 24.4% of the aggregate total liabilities).

For the year ended 31 December 2014 compared to the year ended 31 December 2013

For FY2014, the aggregate turnover of the Easking Group and the CinMedia Group amounted to approximately HK$416.6 million, representing a decrease of approximately 15.5% as compared to the aggregate turnover of approximately HK$492.9 million in FY2013. Such decrease was mainly attributable to the reduction in advertising income from inflight magazines of CSA Media and CEA Media and the above mentioned reduction in spending on print advertisements by luxury brands customers in China. The Easking Group and the CinMedia Group recorded a gross profit margin on an aggregate basis of approximately 13.4% for FY2014 as compared to approximately 21.0% for FY2013, representing a decrease of approximately 7.6 percentage points, which was mainly caused by the decrease in advertising income outweighing the decrease in direct operating costs due to the payment of fixed fees for exclusive advertising agency contracts despite of the decrease in advertising income. For FY2014, the Easking Group and the CinMedia Group recorded an aggregate profit after taxation of approximately HK$4.3 million (after adjusted for a provision in the amount of approximately HK$4.7 million made by the CinMedia Group in FY2014 on the amount due from the Easking Group) as compared to approximately HK$34.8 million for FY2013, which was mainly due to the decrease in advertising income being proportionally larger than the decrease in direct operating costs (mainly as the fixed fees paid to airlines did not decrease correspondingly with the decrease in advertising income in the year), and the increase in the aggregate administrative expenses by approximately HK$5.8 million as a result of the exchange loss of approximately HK$3.2 million caused by the RMB depreciation and the loss on disposal of a subsidiary of approximately HK$1.9 million.

For the year ended 31 December 2013 compared to the year ended 31 December 2012

For FY2013, the aggregate turnover of the Easking Group and the CinMedia Group amounted to approximately HK$492.9 million, representing a decrease of approximately 35.6% as compared to that of approximately HK$765.9 million for FY2012. Such decrease was mainly contributed by the expiry of the exclusive advertising contract with 中國航空傳媒廣告公司 (translated as Air China Media Advertising Co., "**AC Media**"), a subsidiary of Air China, which resulted in a material decrease in advertising income from the inflight magazine of Air China. The Disposal Group became one of the non-exclusive agents of the inflight magazine of Air China after the expiry of the said exclusive advertising contract. The Disposal Group's advertising income from inflight magazine also reduced as a result of the fall in spending on print advertisements arising from the advertising spending in China shifting to digital platforms. Based on our discussion with management and research on industry information on China's media industry from non-governmental sources, we concur with management's view on advertising spending in China shifting to digital platforms. The Easking Group and the CinMedia Group recorded a gross profit margin on an aggregate basis of approximately 21.0% for FY2013 as compared to approximately 26.4% for FY2012, representing a decrease of approximately 5.4 percentage points, which was mainly caused by the decrease in gross profit margin of the advertising income from the inflight magazines published by CSA Media and CEA Media mainly due to the increase in fixed agency fees. The aggregate profit after taxation of the Easking Group and the CinMedia Group decreased by approximately 68.7% from approximately HK$111.2 million for FY2012 to approximately HK$34.8 million for FY2013, which was mainly caused by the proportionally larger decrease in advertising income compared to the decrease in direct operating costs (mainly as the fixed fees paid to airlines did not decrease in proportion to the advertising income), and the increase in the aggregate administrative expenses by approximately HK$6.8 million as a result of the Disposal Group strengthening its sales force and position after its loss of the aforesaid exclusive advertising contract with AC Media, which led to the increase in overall expenses.

As set out above, the Disposal Group contributed significantly to the turnover of the Group from continuing operations for FY2012, FY2013 and FY2014, respectively. The aggregate turnover of the Easking Group and the CinMedia Group (amounting to approximately HK$765.9 million, HK$492.9 million and HK$416.6 million respectively) accounted for approximately 92.7%, 88.6% and 87.5% of the Group's turnover from continuing operations for the relevant periods. Despite of this, it is noted that the advertising turnover from the inflight magazines of China Southern Airlines and China Eastern Airlines contributed over 50% and 30% of the Disposal Group for each of FY2013 and FY2014. We have discussed with the management of the Company in this regard and understand that the management expects that the Disposal Group's revenue would significantly decrease after 31 December 2015 in light of the non-renewal of the exclusive advertising agreement by CSA Media with the Disposal Group after its expiration on 31 December 2015. Furthermore, CEA Media has initiated discussion with the Group on the management of the exclusive advertising agreement for the inflight magazines which is due to expire on 31 December 2016 and there is uncertainty on the renewal of the advertising agreement with CEA Media (the "**CEA Media Agreement**"). We have discussed with the management of the Company in this regard and understand that after taking into account the difficult trading environment of the Group's inflight magazine advertising business, mainly due to the trend of advertising spending in China shifting to digital platforms and the anti-corruption measures taken by the Chinese government which have affected the spending on print advertisements by luxury brand customers, the management of the Company currently expects that the performance from the CEA Media Agreement would remain under pressure. In light of the said uncertainty on the financial and operation performance of the Disposal Group in the foreseeable future and the deteriorating financial performance of the Disposal Group during the Review Period, we consider that the Disposal is in the interests of the Company and the Independent Shareholders as a whole.

2.3 Principal terms of the Disposal

(1) Consideration and payment

The Disposal Agreement stipulates that the aggregate consideration for the Disposal is HK$12,500,000 (the "**Aggregate Consideration**"), and shall be payable by ER2 to Recruit (BVI) in cash upon completion of the Disposal.

As stated in the Letter from the Board, the Aggregate Consideration was determined with reference to the latest financial position of the Disposal Group and the amount of the shareholders' loans owed by the Disposal Group to Recruit (BVI) (the "**Shareholders' Loans**"), and taking into account the deteriorating financial performance of the Disposal Group and the market outlook for the inflight magazine advertising business. The Aggregate Consideration approximates the sum of the aggregate net liabilities of the Disposal Group of approximately HK$7.0 million (which is based on the audited consolidated net assets of the Cinmedia Group of approximately HK$30.9 million as at 31 May 2015 and the audited consolidated net liabilities of the Easking Group of approximately HK$42.6 million as at 31 May 2015, after taking into account a provision previously made by the CinMedia Group on the amount due from the Easking Group of approximately HK$4.7 million) and the Shareholders' Loans of approximately HK$19.3 million as at 31 May 2015. As at the Latest Practicable Date, the Shareholders' Loans amounted to approximately HK$19.3 million.

As noted from the financial information of the Easking Group and the CinMedia Group as set out in Appendix IIB and Appendix IIA to the Circular respectively, the aggregate net liabilities of the Easking Group and the CinMedia Group amounted to approximately HK$11.7 million as at 31 May 2015. After adjusted for a provision previously made by the CinMedia Group on the amount due from the Easking Group of approximately HK$4.7 million and the Shareholders' Loans of approximately HK$19.3 million, the adjusted aggregate net assets of the Easking Group and the CinMedia Group would amount to approximately HK$12.3 million (the "**Adjusted Aggregate NAV**"). And thus, the Aggregate Consideration of HK$12.5 million represents a premium of approximately 1.63% to the Adjusted Aggregate NAV.

In assessing the fairness of the Aggregate Consideration, we have made reference to the Adjusted Aggregate NAV. We do not consider conducting a valuation of the Disposal Group necessary for the following reasons:

(i) The Disposal Group is currently in a loss-making situation, thus making the common valuation methodology based on price-to-earnings multiple irrelevant.

(ii) For loss-making companies, valuation methodology based on price-to-revenue multiple may sometimes be applied. However, for the Disposal Group, there is high uncertainty as to whether or when the Disposal Group will be able to turnaround to become profit-making in the future. In fact, if the CEA Media Agreement is not renewed upon expiry, the Disposal Group's inflight magazine advertising business will become insignificant. Given the aforesaid, we do not consider a valuation based on price-to revenue multiple would be appropriate for assessing the value of the Disposal Group.

(iii) Another commonly used market approach valuation method is the discounted cash flow ("**DCF**") approach. A fundamental criteria for making the DCF approach appropriate is the assumption that the subject being valued is able to generate positive cash flow in the long run. In the case of the Disposal Group, as explained above, there is high uncertainty as to whether or when it will be able to generate positive cash flow and therefore valuing the Disposal Group using the DCF approach is not appropriate.

In view of the above, we consider that the most appropriate approach to value the Disposal Group is the asset approach. In this regard, given that the principal assets of the Disposal Group are trade and other receivables and deposits (which mainly represent advertising revenues from customers, prepayment of fees and deposits paid to airlines (all these items are either realizable into cash or represent payment for future expenses)) and cash and cash equivalents, their book value represent a good estimation of the fair value of those assets and hence independent valuation does not have any added-value.

After taking into account the historical financial performance and the business outlook of the Disposal Group, in particular (i) the deteriorating financial performance of the Disposal Group during the Review Period (details of our analysis on the Disposal Group's financial performance and position are set out in the sub-section headed "2.2 Financial information on the Disposal Group" above); (ii) there is no indication that the Disposal Group's business would turnaround, especially in light of the non-renewal of the advertising agreement with CSA Media and the uncertainty on the renewal of the advertising agreement with CEA Media; and (iii) the Aggregate Consideration represents a premium of approximately 1.63% to the Adjusted Aggregate NAV, we consider that the Aggregate Consideration of HK$12.5 million is fair and reasonable.

(2) Conditions precedent

Please refer to the sub-section headed "Conditions precedent" in the Letter from the Board for details. As at the Latest Practicable Date, none of the conditions have been fulfilled.

(3) Completion

Subject to the fulfillment of the conditions precedent under the Disposal Agreement, completion of the Disposal shall take place simultaneously with the Sale and Purchase Agreement.

Our view

Having considered the above, we are of the view that the terms of the Disposal are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

3. *Possible financial effects of the Disposal*

(i) Accounting treatment upon completion of the Disposal

As stated in the Letter from the Board, upon completion of the Disposal, members of the CinMedia Group and the Easking Group will cease to be subsidiaries of the Company and thus the results, the assets and the liabilities of the CinMedia Group and the Easking Group will no longer be consolidated into the financial statements of the Group.

(ii) Earnings

As stated in the Letter from the Board, as illustrated in the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to the Circular, it is estimated that the Company will realise a gain on the Disposal of approximately HK$0.4 million, which is calculated with reference to the consideration of the Disposal of HK$12.5 million less the sum of (i) the aggregate net liabilities of the Disposal Group of approximately HK$7.0 million as at 31 May 2015; (ii) the amount of Shareholders' Loans owing by the Disposal Group to Recruit (BVI) of approximately HK$19.3 million as at 31 May 2015; (iii) the estimated transaction costs and expenses directly attributable to the Disposal of approximately HK$2.5 million; and (iv) movement of net liabilities of the Disposal Group in June 2015 of HK$0.2 million and plus the release of exchange reserve of the Disposal Group of approximately HK$3.0 million as at 31 May 2015 (the "**Release of Exchange Reserve**").

The actual gain or loss on the Disposal may be different from the pro forma amount described above as the carrying amounts of assets and liabilities of the Disposal Group on the completion date of the Disposal will differ from their carrying amounts as at 31 May 2015. It is also subject to change as the actual professional fees and related expenses will differ from the assumed amounts used in the preparation of the unaudited pro forma financial information of the Remaining Group.

(iii) Net assets value

As noted from the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2015 as set out in Appendix III to the Circular, assuming the Disposal had completed on 30 June 2015, the pro forma net assets value of the Remaining Group would decrease slightly by approximately HK$2.5 million (or approximately 1.9% as a percentage of the unaudited consolidated net assets value of the Company as at 30 June 2015) to approximately HK$134.6 million. Based on the 333,784,000 issued Shares of the Company as at the Latest Practicable Date, the pro forma net assets value per Share of the Remaining Group would decrease slightly from HK$0.411 per Share to HK$0.403 per Share. As noted from Appendix III to the Circular, such decrease was mainly due to an estimated loss on Disposal before the Release of Exchange Reserve, based on comparison of the consideration of the Disposal with the sum of the aggregate net liabilities of the Disposal Group and the Shareholders' Loans.

Given that the said decrease is estimated to be insignificant, together with the factors including an estimated gain on the Disposal after taking into account the Release of Exchange Reserve of approximately HK$0.4 million, the deteriorating financial performance of the Disposal Group during the Review Period with no indication that its business would turnaround as we analysed above, we consider that the slight decrease in the pro forma net assets value of the Remaining Group arising from the Disposal is acceptable so far as the Independent Shareholders are concerned.

(iv) Gearing ratio

As noted in the Company's Interim Report, the Group had no interest-bearing debts as at 30 June 2015 and hence had a gearing ratio of nil. As noted from the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2015 as set out in Appendix III to the Circular, assuming completion of the Disposal took place on 30 June 2015, the Remaining Group's gearing ratio would remain at nil.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

(i) the deteriorating financial performance of the Disposal Group during the Review Period;

(ii) no indication that the Disposal Group's business would turnaround in the near future, especially in light of the non-renewal of the advertising agreement with CSA Media, the uncertainty on the renewal of the advertising agreement with CEA Media and the difficult trading environment of the Group's inflight magazine advertising business mainly due to the shifting of advertising spending in China to digital platforms and the anti-corruption measures taken by the Chinese government which have affected the spending on print advertisements by luxury brand customers; and

(iii) the premium of approximately 1.63% of the Aggregate Consideration to the Adjusted Aggregate NAV,

we consider that (i) while the Disposal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Code IBC and the Listing Rules IBC to recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the Disposal at the SGM.

Yours faithfully,
For and on behalf of
BOSC International Company Limited

Heidi Cheng	**Lily Li**
Managing Director	*Associate Director*
Investment Banking	*Investment Banking*

1. FINANCIAL INFORMATION OF THE GROUP

Financial information on the Group for each of the three financial years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cinderellagroup.com.hk):

- annual report of the Company for the year ended 31 December 2012 published on 18 March 2013 (pages 39 to 103) (http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0318/LTN20130318922.pdf);
- annual report of the Company for the year ended 31 December 2013 published on 18 March 2014 (pages 27 to 98) (http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0318/LTN20140318742.pdf);
- annual report of the Company for the year ended 31 December 2014 published on 23 March 2015 (pages 24 to 94) (http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0323/LTN20150323396.pdf); and
- interim report of the Company for the six months ended 30 June 2015 published on 30 July 2015 (pages 6 to 25) (http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0730/LTN20150730400.pdf).

The following is the full text of the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015 as extracted from the interim report of the Company for the six months ended 30 June 2015:

"**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		(Unaudited) Six months ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	*3*	**31,378**	30,310
Direct operating costs		**(8,251)**	(8,114)
Gross profit		**23,127**	22,196
Other income		**2,166**	1,413
Selling and distribution costs		**(8,209)**	(8,515)
Administrative expenses		**(7,566)**	(7,405)
Other expenses		**(97)**	(96)
Finance costs	*4*	**(72)**	–
Profit before income tax	*5*	**9,349**	7,593
Income tax expense	*6*	**(1,524)**	(609)
Profit for the period from continuing operations		**7,825**	6,984

	Notes	(Unaudited) Six months ended 30 June 2015 HK$'000	2014 HK$'000
Discontinued operations			
(Loss)/Profit for the period from discontinued operations	7	**(30,396)**	88,651
(Loss)/Profit for the period		**(22,571)**	95,635
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange loss on translation of financial statements of foreign operations		**–**	(540)
Other comprehensive income for the period, net of tax		**–**	(540)
Total comprehensive income for the period		**(22,571)**	95,095
(Loss)/Profit for the period attributable to:			
Owners of the Company		**(22,571)**	79,913
Non-controlling interests		**–**	15,722
		(22,571)	95,635
Total comprehensive income attributable to:			
Owners of the Company		**(22,571)**	79,464
Non-controlling interests		**–**	15,631
		(22,571)	95,095
(Loss)/Earnings per share for profit attributable to the owners of the Company during the period	8		
From continuing and discontinued operations			
– Basic		**HK(6.76) cents**	HK23.99 cents
– Diluted		**HK(6.76) cents**	HK23.96 cents
From continuing operations			
– Basic		**HK 2.35 cents**	HK2.10 cents
– Diluted		**HK 2.35 cents**	HK2.09 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	(Unaudited) At 30 June 2015 HK$'000	(Audited) At 31 December 2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**3,718**	4,704
Investment properties	*10*	**29,266**	29,706
Prepaid land lease payments	*11*	**5,578**	5,651
		38,562	40,061
Current assets			
Trade and other receivables and deposits	*12*	**11,618**	68,430
Financial assets at fair value through profit or loss		**855**	1,591
Tax recoverable		**3,186**	4,384
Cash and cash equivalents		**80,100**	151,615
		95,759	226,020
Assets classified as held for sale	*7a*	**86,168**	–
		181,927	226,020
Current liabilities			
Trade and other payables	*13*	**5,793**	69,740
Bank borrowings	*14*	**–**	7,672
Provision for taxation		**3,887**	5,888
		9,680	83,300
Liabilities directly associated with assets classified as held for sale	*7a*	**73,636**	–
		83,316	83,300
Net current assets		**98,611**	142,720
Total assets less current liabilities		**137,173**	182,781
Non-current liabilities			
Deferred tax liabilities		**–**	3,255
		–	3,255
Net assets		**137,173**	179,526
EQUITY			
Share capital	*15*	**66,757**	66,727
Reserves		**70,416**	112,799
Equity attributable to owners of the Company		**137,173**	179,526
Total equity		**137,173**	179,526

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	(Unaudited) For the six months ended 30 June 2015 HK$'000	2014 HK$'000
Net cash generated from operating activities		**4,143**	63,647
Investing activities			
Interest received		**933**	974
Decrease in pledged deposits		**–**	33,365
Increase in held-to-maturity investments		**–**	(139,509)
Purchase of property, plant and equipment		**(243)**	(3,625)
Proceeds from disposal of property, plant and equipment		**–**	132
Dividend income from listed equity securities		**31**	53
Distribution of interest in subsidiaries	*19*	**–**	(235,188)
Net cash generated from/(used in) investing activities		**721**	(343,798)
Financing activities			
Bank borrowings raised		**–**	40,000
Repayment of bank borrowings	*14*	**(7,672)**	(8,586)
Interest on bank borrowings paid		**(72)**	(636)
Interest element of finance lease payments		**–**	(1)
Capital element of finance lease liabilities paid		**–**	(526)
Proceeds from issue of new shares		**241**	2,084
Share issue expenses paid		**(5)**	(9)
Dividends paid to equity holders of the Company		**(20,018)**	(66,727)
Net cash used in financing activities		**(27,526)**	(34,401)
Net decrease in cash and cash equivalents		**(22,662)**	(314,552)
Cash and cash equivalents at the beginning of the period		**151,615**	382,522
Cash and cash equivalents at the end of the period		**128,953**	67,970
Analysis of balances of cash and cash equivalents			
Bank and cash balances		**80,079**	25,216
Cash at brokers		**21**	946
Short-term deposits		**–**	41,808
Cash included in assets held for sale		**48,853**	–
		128,953	67,970

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to owners of the Company									Total equity
	Share capital	Share premium	Employee compensation reserve	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserves	Proposed final and special dividends	Retained earnings	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2015 (Audited)	66,727	–	341	2,621	(43,897)	95,402	1,287	20,018	37,027	179,526
Exercise of share options	30	552	(341)	–	–	–	–	–	–	241
Share issue expenses	–	(5)	–	–	–	–	–	–	–	(5)
Final 2014 dividend paid *(note 16)*	–	–	–	–	–	–	–	(20,018)	–	(20,018)
Transactions with owners	30	547	(341)	–	–	–	–	(20,018)	–	(19,782)
Loss and total comprehensive income	–	–	–	–	–	–	–	–	(22,571)	(22,571)
Balance at 30 June 2015 (Unaudited)	**66,757**	**547**	**–**	**2,621**	**(43,897)**	**95,402**	**1,287**	**–**	**14,456**	**137,173**

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Employee compensation reserve	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserves	Other reserve	Employee compensation reserve of subsidiary	Proposed final and special dividends	Retained earnings	Total		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2014 (Audited)	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
Repurchase of vested shares and settlement of the award shares	–	–	–	–	–	–	–	–	(948)	–	–	(948)	(624)	(1,572)
Exercise of share options	245	2,036	(197)	–	–	–	–	–	–	–	–	2,084	–	2,084
Share issue expenses	–	(9)	–	–	–	–	–	–	–	–	–	(9)	–	(9)
Transfer of reserve	–	(118,049)	–	–	–	118,049	–	–	–	–	–	–	–	–
Final 2013 dividend paid *(note 16)*	–	–	–	–	–	–	–	–	–	(66,488)	(239)	(66,727)	–	(66,727)
Distribution of interest in subsidiaries *(note 16)*	–	–	–	–	–	(5,000)	–	–	–	–	(454,114)	(459,114)	–	(459,114)
Deemed disposal of subsidiaries on the Distribution *(note 19)*	–	–	–	(1,608)	–	–	–	16,648	(1,318)	–	(15,330)	(1,608)	(278,894)	(280,502)
Transactions with owners	245	(116,022)	(197)	(1,608)	–	113,049	–	16,648	(589)	(66,488)	(469,683)	(524,645)	(278,415)	(803,060)
Profit for the period	–	–	–	–	–	–	–	–	–	–	79,913	79,913	15,722	95,635
Other comprehensive income														
Currency translation	–	–	–	(449)	–	–	–	–	–	–	–	(449)	(91)	(540)
Total comprehensive income for the period	–	–	–	(449)	–	–	–	–	–	–	79,913	79,464	15,631	95,095
Balance at 30 June 2014 (Unaudited)	**66,727**	**–**	**341**	**2,714**	**(43,897)**	**115,420**	**2,341**	**–**	**–**	**–**	**55,323**	**198,969**	**–**	**198,969**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in preparing the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations as disclosed below.

In the current interim period, the Group has also applied, for the first time, the following new or revised standards and interpretations issued by the HKICPA:

Amendments to HKFRS	*Annual Improvements to HKFRSs 2010-2012 Cycle*
Amendments to HKFRS	*Annual Improvements to HKFRSs 2011-2013 Cycle*
Amendments to HKAS 19	*Defined Benefit Plans – Employee Contributions*

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

3. SEGMENT INFORMATION

The executive directors have identified 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) Six months ended 30 June		Non-current assets	
	2015	2014	**As at 30 June 2015**	As at 31 December 2014
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**–**	–	**8,393**	9,099
Hong Kong (domicile)	**31,378**	30,310	**30,169**	30,943
Taiwan	**–**	–	**–**	19
	31,378	30,310	**38,562**	40,061

4. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	**72**	–

5. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Amortisation of prepaid land lease payments	**73**	–
Depreciation	**1,005**	331
Employee benefit expense	**8,885**	8,840
Minimum lease payments paid under operating leases in respect of		
– Rented premises and production facilities	**298**	386
– Internet access line	**78**	74
Net foreign exchange loss	**300**	1,173
Gain on financial assets at fair value through profit or loss	**(163)**	(6)
Interest income	**(933)**	(819)

6. INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
The charge comprises:		
Hong Kong profits tax		
– Current year	**1,524**	609

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the period.

7. DISCONTINUED OPERATIONS

The (loss)/profit for the period from discontinued operation is analysed as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Loss)/Profit for the period from inflight magazines advertising operation *(note a)*	**(30,396)**	11,977
Profit for the period from printing operation *(note b)*	**–**	76,674
	(30,396)	88,651

(a) Disposal of CinMedia Inc ("CinMedia") and Easking Limited ("Easking")

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

Completion of the Disposal is conditional upon fulfillment of the passing of the necessary resolutions by the independent shareholders at the special general meeting approving the Disposal Agreement and the consent from the executive director of the Corporate Finance Division of the Securities and Futures Commission in respect of the Disposal Agreement and the transactions contemplated thereunder in accordance with all applicable requirements under The Hong Kong Code on Takeovers and Mergers.

The operations of CinMedia and Easking represented the entire operation of the inflight magazines advertising business. The Disposal, if completed, constitutes the discontinuation of the inflight magazine advertising business and is expected to be completed within twelve months. The assets and liabilities attributable to CinMedia and Easking have thereby been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position. The net proceeds of the Disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The results of the inflight magazine advertising business for the period, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover	**133,158**	201,613
Direct operating costs	**(136,620)**	(170,475)
Gross (loss)/profit	**(3,462)**	31,138
Other income	**3,106**	4,788
Selling and distribution costs	**(9,959)**	(6,044)
Administrative expenses	**(9,329)**	(8,847)
Other expenses	**(7,362)**	(2,665)
(Loss)/Profit before income tax	**(27,006)**	18,370
Income tax expense	**(3,390)**	(6,393)
(Loss)/Profit for the period	**(30,396)**	11,977

The major classes of assets and liabilities of CinMedia and Easking classified as held for sale are as follows:

	30 June 2015
	(Unaudited)
	HK$'000
Property, plant and equipment *(note 9)*	**664**
Trade and other receivables and deposits	**35,470**
Tax recoverable	**1,181**
Cash and cash equivalents	**48,853**
Total assets classified as held for sale	**86,168**
Trade and other payables	**70,505**
Provision for taxation	**416**
Deferred tax liabilities	**2,715**
Total liabilities classified as held for sale	**73,636**

(b) Distribution in specie of shares of 1010 Printing Group Limited ("1010PGL")

On 2 May 2014, the Group discontinued its operation in printing segment by distribution in specie of the shares in 1010PGL, a subsidiary of the Company to its shareholders on the basis of 139 shares in 1010PGL for every 100 ordinary shares of the Company held by the shareholders (the "Distribution"). Since then, 1010PGL ceased to be the subsidiary of the Company.

The results of the printing operation for the period before the Distribution, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended 30 June 2014 (Unaudited) *HK$'000*
Turnover	365,751
Direct operating costs	(262,944)
Gross profit	102,807
Other income	10,299
Selling and distribution costs	(50,635)
Administrative expenses	(11,801)
Other expenses	(1,422)
Finance costs	(637)
Profit before income tax	48,611
Income tax expense	(8,903)
Profit for the period	39,708
Gain on distribution of subsidiaries	36,966
	76,674

8. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
For continuing and discontinued operations		
(Loss)/Earnings for the purposes of basic and diluted earnings per share for the period	**(22,571)**	79,913

	Number of shares ('000)	
	2015	2014
Weighted average number of ordinary shares for the purposes of basic earnings per share	**333,656**	333,123
Effect of dilutive share options	**–**	364
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**333,656**	333,487

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
From continuing operations		
(Loss)/Profit for the period attributable to the owners of the Company	**(22,571)**	79,913
Less: Loss/(Profit) for the period from discontinued operations attributable to the owners of the Company	**30,396**	(72,929)
Earnings for the purposes of calculating basic and diluted earnings per share from continuing operations	**7,825**	6,984

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic loss per share from discontinued operations is HK9.11 cents per share (2014 basic earnings per share: HK21.89 cents) and diluted loss per share from discontinued operations is HK9.11cents (2014 diluted earnings per share: HK21.87 cents), based on the loss for the period from discontinued operations attributable to owners of the Company of HK$30,396,000 (2014: profit of HK$72,929,000) and the denominators detailed above for both basic and diluted earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings *HK$'000*	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Leasehold improve-ments *HK$'000*	Computer equipment and systems *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
At 1 January 2015							
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
Period ended 30 June 2015							
Opening net book amount	2,851	360	159	582	530	222	4,704
Additions	–	129	–	33	81	–	243
Depreciation	(37)	(62)	(25)	(196)	(178)	(67)	(565)
Reclassified to assets held for sale (note 7a)	–	(165)	(54)	(403)	(31)	(11)	(664)
Closing net book amount	2,814	262	80	16	402	144	3,718
At 30 June 2015							
Cost	3,237	1,428	1,241	1,208	23,965	539	31,618
Accumulated depreciation	(423)	(1,166)	(1,161)	(1,192)	(23,563)	(395)	(27,900)
Net book amount	2,814	262	80	16	402	144	3,718

As at 30 June 2015, the Group's leasehold land and buildings were situated in the PRC and were held under medium-term leases.

10. INVESTMENT PROPERTIES

	HK$'000
At 1 January 2015	
Cost	30,000
Accumulated depreciation	(294)
Net book amount	29,706
At 1 January 2015	29,706
Depreciation	(440)
Closing net book amount	29,266
At 30 June 2015	
Cost	30,000
Accumulated depreciation	(734)
Net book amount	29,266

11. PREPAID LAND LEASE PAYMENTS

	HK$'000
At 1 January 2015	
Cost	6,418
Accumulated amortisation	(767)
Net book amount	5,651
Opening net book amount	5,651
Amortisation	(73)
Closing net book amount	5,578
At 30 June 2015	
Cost	6,418
Accumulated amortisation	(840)
Net book amount	5,578

The Group's prepaid land lease payments represent up-front payments to acquire an interest in the usage of land situated in the Shanghai, which is held under a medium-term lease.

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS

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

Aging analysis of trade receivables as at 30 June 2015, based on invoice date and net of provisions, is as follows:

	At 30 June 2015 (Unaudited) ***HK$'000***	At 31 December 2014 (Audited) *HK$'000*
0 – 30 days	**7,349**	13,780
31 – 60 days	**248**	5,710
61 – 90 days	**22**	54
91 – 120 days	**–**	2,761
121 – 150 days	**–**	3,752
Over 150 days	**–**	6,078
Total trade receivables	**7,619**	32,135
Other receivables and deposits	**3,999**	36,295
	11,618	68,430

13. TRADE AND OTHER PAYABLES

As at 30 June 2015, the aging analysis of trade payables based on invoice date is as follows:

	At 30 June 2015 (Unaudited) ***HK$'000***	At 31 December 2014 (Audited) *HK$'000*
0 – 30 days	**950**	6,112
31 – 60 days	**–**	5,327
61 – 90 days	**–**	4,486
91 – 120 days	**–**	6,264
Over 120 days	**–**	11,837
Total trade payables	**950**	34,026
Other payables	**4,843**	35,714
	5,793	69,740

14. BANK BORROWINGS

During the six months ended 30 June 2015, repayments of bank loans amounted to HK$7,672,000 (30 June 2014: HK$8,586,000).

15. SHARE CAPITAL

	No. of shares *('000)*	*HK$'000*
Authorised:		
Ordinary shares of HK$0.20 each	500,000	100,000
Issued and fully paid:		
At 1 January 2015	333,634	66,727
Shares issued upon exercise of share options	150	30
At 30 June 2015	**333,784**	**66,757**

16. DIVIDENDS AND DISTRIBUTION

(a) Dividends and distribution attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final dividend in respect of the year ended 31 December 2014, approved and paid during the period of HK$0.06 per share (2013: HK$0.2)	**20,018**	66,727
Distribution of shares in a subsidiary	**–**	459,114
	20,018	525,841

(b) Dividends attributable to the interim period

	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend – Nil (2014: HK$0.055) per share	**–**	18,350

Notes:

(i) On 3 March 2015, the Directors proposed a final dividend of HK$0.06 per share. The final dividend was paid on 15 May 2015.

(ii) No interim dividend was declared during the six months ended 30 June 2015 (2014: HK$0.055).

17. CAPITAL COMMITMENTS

As at 30 June 2015, there were no capital commitment contracted but not provided for in respect of the acquisition of property, plant and equipment (31 December 2014: Nil).

18. RELATED PARTY TRANSACTIONS

(a) Related party transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties for the six months ended 30 June 2015 are disclosed as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Rental income received from a related company	**330**	80

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

(b) Compensation of key management personnel

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short-term employee benefits	**1,200**	1,140
Post-employment benefit	**18**	16
	1,218	1,156

19. DISTRIBUTION OF INTERESTS IN SUBSIDIARIES

As referred in note 7, on 2 May 2014, the Company discontinued its printing operation through distribution of the interest in shares in 1010PGL. The net assets of 1010PGL at the date of Distribution were as follows:

	HK$'000
Property, plant and equipment	188,295
Investment properties	10,091
Intangible assets	65,993
Deferred tax assets	10,614
Inventories	114,209
Trade and other receivables and deposits	372,285
Held-to-maturity investments	46,386
Bank balances and cash	234,025
Trade and other payables	(237,424)
Financial liabilities at fair value through profit or loss	(1,107)
Bank borrowings	(95,906)
Provision for taxation	(4,335)
Deferred tax liabilities	(967)
	702,159
Less: Non-controlling interests	(278,894)
	423,265
Release of exchange reserve upon Distribution	(1,608)
Fair value of remaining shares of 1010PGL held by the Group after the Distribution, classified as financial asset at fair value through profit or loss	(672)
Gain from the Distribution	36,966
Total consideration	457,951

Total consideration consists of:

	HK$'000
Fair value of the shares of 1010PGL distributed	459,114
Less: Cost incurred on the Distribution	(1,163)
Fair value (net of cost incurred) on the Distribution	457,951

Net cash outflow arising on the Distribution:	
Expenses incurred on disposal	(1,163)
Bank balances and cash disposed of	(234,025)
	(235,188)

20. CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no significant contingent liabilities (31 December 2014: Nil).

21. FAIR VALUE MEASUREMENT

i. Recurring fair value measurements

	At 30 June 2015 (unaudited) Level 1 *HK$'000*	At 31 December 2014 (audited) Level 1 *HK$'000*
Held for trading		
Equity securities, listed in Hong Kong	**855**	1,591
Fair value	**855**	1,591

ii. Fair values of financial instruments carried at other than fair value

Trade and other receivables, trade and other payables and bank borrowings are carried at cost or amortised cost which are not materially different from their fair values as at 30 June 2015 and 31 December 2014."

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular, the Group did not have any mortgages, charges, debentures, loan capital, bank overdrafts, loans, liabilities under acceptance or similar indebtedness, hire purchase or finance lease obligations or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account the internal resources, the existing available credit facilities of the Group and the net proceeds from the Disposal, the Group has sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular in the absence of unforeseen circumstances.

4. FINANCIAL AND TRADING PROSPECTS

Upon completion of the Disposal, the Remaining Group will continue to be engaged in advertising media business, specifically recruitment magazine advertising, and investment holding. The Group anticipates that the business environment in 2015/2016 will continue to be challenging. However, management believes that given its strong financial position, the Remaining Group is going to strengthen its momentum with existing business opportunities ahead.

Advertising media business

Recruit magazine and website maintain its competitiveness in the dissemination of information on job vacancies across a wide range of platforms: printed media, electronic media and job fairs. The Remaining Group has organized job fairs since 2012. In addition to hosting career fair regularly, the Remaining Group will continue to collaborate with other organizations to organize roundtable conferences on manpower planning strategies. The Remaining Group will also enhance the performance of its online platform to aim at generating more online revenue. The Remaining Group plans to commence revamping its recruitment website during the second half of 2015 and dedicate its resources to actively promote the advertisement of Interim Jobs in early 2016.

Please refer to the section headed "Information relating to the Remaining Group" set out in the letter from the Board for further details about the aforementioned business development plan of the Remaining Group.

Adopting the business strategies above, the Directors expect that advertising revenue from recruitment magazine would continue to grow.

Investment holding

The Group holds two investment properties which are office premises located in Kwun Tong and Shanghai. The office premises currently are generating steady stream of rental income. Such income is expected to persist.

1. ACCOUNTANT'S REPORT ON THE CINMEDIA GROUP

The following is the text of a report received from the Company's reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, which has been prepared for the purpose of incorporation in this circular.

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

5 August 2015

The Directors
CinMedia Inc.

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of CinMedia Inc. ("CinMedia") and its subsidiaries (together, the "CinMedia Group"), which comprises the consolidated statements of financial position of the CinMedia Group and the statements of financial position of CinMedia as at 31 December 2012, 2013, 2014 and 31 May 2015, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the CinMedia Group for each of the three years ended 31 December 2012, 2013, 2014 and for the five months ended 31 May 2015 (the "Relevant Period") together with the explanatory notes thereto (the "Financial Information"). The Financial Information has been prepared by the directors of CinMedia for inclusion in Appendix IIA of the circular of Cinderella Media Group Limited (the "Company") dated 5 August 2015 (the "Circular").

CinMedia was established in the British Virgin Islands ("BVI") as a company with limited liability on 5 July 2006. As at the date of this report, CinMedia has direct interests in the subsidiaries as set out in note 18 of Section II below. CinMedia and its subsidiaries are principally engaged in the provision of advertising services in Hong Kong, the People's Republic of China (the "PRC") and Taiwan. No audited statutory financial statements of CinMedia for the three years ended 31 December 2012, 2013 and 2014 have been prepared as there are no such statutory audit requirements under the relevant rules and regulation in the BVI.

The statutory financial statements of the subsidiaries incorporated in Hong Kong, the PRC and Taiwan for the three years ended 31 December 2012, 2013 and 2014 were prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in Hong Kong, the PRC and Taiwan respectively and were audited by the following certified public accountants registered in Hong Kong, the PRC and Taiwan:

Name of subsidiaries	Financial periods	Auditors
CinMedia Limited	Years ended 31 December 2012, 2013 and 2014	BDO Limited, Hong Kong
EAR Media Limited	Years ended 31 December 2012, 2013 and 2014	BDO Limited, Hong Kong
CinMedia Publishing Limited	Years ended 31 December 2012, 2013 and 2014	BDO Limited, Hong Kong
海蘊廣告(上海)有限公司	Years ended 31 December 2012, 2013 and 2014	Shanghai Xiao Tian Cheng Certified Public Accountants Co. Ltd., the PRC
SAR Media Limited*	Years ended 31 December 2012 and 2013	BDO Limited, Hong Kong
廣州海螢廣告有限公司*	Years ended 31 December 2012 and 2013	Guangzhou Qiyuan Certified Public Accountants, the PRC
北京海溢吉盛廣告有限公司**	Years ended 31 December 2012 and 2013	Shanghai Xiao Tian Cheng Certified Public Accountants Co. Ltd., the PRC
上海海譽廣告有限公司***	Years ended 31 December 2012 and 2013	Shanghai Xiao Tian Cheng Certified Public Accountants Co. Ltd., the PRC

* Disposed on 10 July 2014
** Disposed on 30 September 2014
*** Deregistered on 20 November 2014

No audited statutory financial statements of its subsidiaries, Eastern Inflight Magazine Productions Limited, incorporated in the BVI, Southern Inflight Magazine Production Limited, incorporated in Anguilla and 台灣先傳媒有限公司, incorporated in Taiwan, for the three years ended 31 December 2012, 2013 and 2014 have been prepared as there are no such statutory audit requirements under the relevant rules and regulation in the BVI, Anguilla and Taiwan respectively.

No audited statutory financial statements of CinMedia and its subsidiaries for the five months ended 31 May 2015 have been prepared as there are no such statutory audit requirements under the relevant rules and regulation in the BVI, Anguilla, Hong Kong, the PRC and Taiwan respectively.

The directors of CinMedia have prepared the consolidated financial statements of the CinMedia Group for the Relevant Period (the "Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Underlying Financial Statements for the Relevant Period were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information has been prepared by the directors of CinMedia for inclusion in the Circular in connection with the disposal of the entire equity interests in the CinMedia Group by the Company based on the Underlying Financial Statements with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of CinMedia are responsible for the contents of the Circular including the preparation and presentation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by HKICPA, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules and for such internal control as the directors of CinMedia determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures and to report our opinion to you.

For the purpose of this report, we have carried out audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the Financial Information of the CinMedia Group and carried out appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. We have not audited any financial statements of CinMedia, its subsidiaries or the CinMedia Group in respect of any period subsequent to 31 May 2015.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of CinMedia and of the CinMedia Group as at 31 December 2012, 2013, 2014 and 31 May 2015 and of the CinMedia Group's results and cash flows for the Relevant Period in accordance with HKFRSs.

COMPARATIVE FINANCIAL INFORMATION

For the purpose of this report, we have also reviewed the unaudited comparative financial information of the CinMedia Group comprising the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended 31 May 2014, together with the notes thereto (the "Comparative Financial Information"), in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The directors of CinMedia are responsible for the preparation and presentation of the Comparative Financial Information in accordance with the same basis adopted in respect of the Financial Information.

Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

Based on our review, for the purpose of this report, nothing has come to our attention that causes us to believe that the Comparative Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION OF THE CINMEDIA GROUP

The following is the Financial Information of the CinMedia Group as at 31 December 2012, 2013, 2014 and 31 May 2015 and for each of the Relevant Period prepared by the directors of CinMedia.

(A) Consolidated statements of profit or loss and other comprehensive income

		Year ended 31 December			Five months ended 31 May	
		2012	2013	2014	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Turnover	5	763,924	480,122	63,633	30,087	11,160
Direct operating costs		(562,871)	(376,893)	(12,365)	(5,478)	(6,591)
Gross profit		201,053	103,229	51,268	24,609	4,569
Other revenue and net income	7	6,803	5,636	4,072	2,566	2,419
Selling and distribution costs		(29,612)	(27,594)	(9,749)	(5,151)	(5,464)
Administrative expenses		(15,512)	(22,132)	(24,305)	(8,163)	(6,235)
Other operating expenses		(5,446)	(4,139)	(1,658)	(324)	–
Finance costs	8	(75)	–	–	–	–
Profit/(Loss) before income tax	9	157,211	55,000	19,628	13,537	(4,711)
Income tax expense	12	(46,134)	(18,910)	(3,538)	(4,301)	(67)
Profit/(Loss) for the year/ period attributable to owner of CinMedia	13	111,077	36,090	16,090	9,236	(4,778)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Exchange gain/(loss) on translation of financial statements of foreign operations		297	2,150	(239)	(165)	–
Total comprehensive income for the year/period attributable to owner of CinMedia		111,374	38,240	15,851	9,071	(4,778)

(B) Consolidated statements of financial position

		At 31 December			At 31 May
		2012	2013	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	16	4,641	3,582	3,370	414
Prepaid land lease payments	17	5,849	5,845	5,652	–
		10,490	9,427	9,022	414
Current assets					
Trade and other receivables and deposit	19	105,095	61,875	12,715	8,362
Amount due from intermediate holding company	20	295,049	212,844	–	–
Amount due from immediate holding company	20	–	–	–	8,872
Amounts due from fellow subsidiaries	20	19	17,407	53,730	–
Tax recoverable		–	–	1,181	1,181
Cash and cash equivalents	21	88,336	103,735	13,069	24,822
		488,499	395,861	80,695	43,237
Current liabilities					
Trade and other payables	22	95,012	94,468	13,978	12,132
Amounts due to immediate holding company	20	85,000	265,700	–	–
Amounts due to fellow subsidiaries	20	–	660	39,429	–
Provision for taxation		27,365	8,248	375	362
		207,377	369,076	53,782	12,494
Net current assets		281,122	26,785	26,913	30,743
Total assets less current liabilities		291,612	36,212	35,935	31,157
Non-current liabilities					
Deferred tax liabilities	23	14,363	16,423	295	295
Net assets		277,249	19,789	35,640	30,862
EQUITY					
Equity attributable to owner of CinMedia					
Share capital	24	–	–	–	–
Reserves	26	277,249	19,789	35,640	30,862
Total equity		277,249	19,789	35,640	30,862

(C) Statements of financial position

	Notes	At 31 December 2012 HK$'000	At 31 December 2013 HK$'000	At 31 December 2014 HK$'000	At 31 May 2015 HK$'000
ASSETS AND LIABILITIES					
Non-current assets					
Investments in subsidiaries	18	116	116	106	106
Current assets					
Trade and other receivables	19	4	4	825	–
Amount due from immediate holding company	20	–	–	–	8,872
Amounts due from subsidiaries	18	85,000	265,583	23,106	49,196
		85,004	265,587	23,931	58,068
Current liabilities					
Other payables and accruals		–	–	4,907	1,935
Amounts due to immediate holding company	20	85,000	265,700	–	–
Amounts due to subsidiaries	18	112	–	–	45,470
Amounts due to fellow subsidiaries	20	–	–	8,887	–
		85,112	265,700	13,794	47,405
Net current (liabilities)/assets		(108)	(113)	10,137	10,663
Net assets		8	3	10,243	10,769
EQUITY					
Share capital	24	–	–	–	–
Reserves	26	8	3	10,243	10,769
Total equity		8	3	10,243	10,769

(D) Consolidated statements of cash flows

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from operating activities					
Profits/(Loss) before income tax	157,211	55,000	19,628	13,537	(4,711)
Adjustments for:					
Amortisation of prepaid land lease payments	143	146	147	61	49
Depreciation	1,456	1,394	437	199	133
Interest income	(2,391)	(841)	(85)	(73)	(1)
Interest expense	75	–	–	–	–
Impairment loss on amounts due from fellow subsidiaries	–	–	4,692	–	–
Impairment loss on trade receivables	5,446	4,139	1,658	324	–
Impairment loss on trade receivables written back	(1,664)	(3,849)	(3,605)	(2,007)	(1,197)
Loss on disposals of subsidiaries	–	–	1,919	–	–
Loss/(Gain) on disposals of property, plant and equipment and prepaid land lease payments	25	–	100	5	(1,221)
Operating profit/(loss) before working capital changes	160,301	55,989	24,891	12,046	(6,948)
Decrease in trade and other receivables and deposits	38,688	44,859	53,223	29,336	5,550
Decrease in trade and other payables	(296)	(544)	(103,769)	(56,886)	(1,846)
Cash generated from/(used in) operations	198,693	100,304	(25,655)	(15,504)	(3,244)
Income tax paid	(15,461)	(35,967)	(17,203)	(16,790)	(80)
Net cash generated from/(used in) operating activities	183,232	64,337	(42,858)	(32,294)	(3,324)

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Cash flows from investing activities					
Purchases of property, plant and equipment	(383)	(256)	(354)	(353)	(2)
Proceeds from disposals of property, plant and equipment and prepaid land lease payments	5	–	–	–	9,649
(Increase)/Decrease in amounts due from intermediate holding company	(191,750)	82,205	212,844	(22,866)	–
Increase in amount due from immediate holding company	–	–	–	–	(8,872)
(Increase)/Decrease in amounts due from fellow subsidiaries	(19)	(17,388)	(41,015)	(24,089)	53,730
Interest received	2,391	841	85	73	1
Disposals of subsidiaries *(note 29)*	–	–	7,563	–	–
Net cash (used in)/generated from investing activities	(189,756)	65,402	179,123	(47,235)	54,506
Cash flows from financing activities					
Repayment of bank borrowings	(7,333)	–	–	–	–
Decrease in amounts due to immediate holding company	–	(115,000)	(265,700)	–	–
Increase/(Decrease) in amounts due to fellow subsidiaries	–	660	38,769	1,596	(39,429)
Interest paid	(75)	–	–	–	–
Net cash (used in)/generated from financing activities	(7,408)	(114,340)	(226,931)	1,596	(39,429)
Net (decrease)/increase in cash and cash equivalents	(13,932)	15,399	(90,666)	(77,933)	11,753
Cash and cash equivalents at beginning of year/period	102,268	88,336	103,735	103,735	13,069
Cash and cash equivalents at end of year/period	88,336	103,735	13,069	25,802	24,822

Major non-cash transactions

During the years ended 31 December 2012 and 2013, CinMedia paid interim dividends of HK$85,000,000 and HK$295,700,000 respectively through the current accounts with immediate holding company.

(E) Consolidated statements of changes in equity

	Attributable to the owner of CinMedia				
	Share capital *HK$'000*	**Exchange reserve** *HK$'000*	**Statutory reserves** *HK$'000* *(note 26)*	**Retained earnings** *HK$'000*	**Total** *HK$'000*
At 1 January 2012	–	934	2,089	247,852	250,875
Total comprehensive income for the year	–	297	–	111,077	111,374
Dividend paid *(note 14)*	–	–	–	(85,000)	(85,000)
Appropriations to statutory reserves	–	–	252	(252)	–
At 31 December 2012 and 1 January 2013	–	1,231	2,341	273,677	277,249
Total comprehensive income for the year	–	2,150	–	36,090	38,240
Dividend paid *(note 14)*	–	–	–	(295,700)	(295,700)
At 31 December 2013 and 1 January 2014	–	3,381	2,341	14,067	19,789
Total comprehensive income for the year	–	(239)	–	16,090	15,851
Disposals of subsidiaries	–	–	(1,054)	1,054	–
At 31 December 2014 and 1 January 2015	–	3,142	1,287	31,211	35,640
Total comprehensive income for the period	–	–	–	(4,778)	(4,778)
At 31 May 2015	–	3,142	1,287	26,433	30,862
For the five months ended 31 May 2014 (unaudited)					
At 1 January 2014	–	3,381	2,341	14,067	19,789
Total comprehensive income for the period	–	(165)	–	9,236	9,071
At 31 May 2014	–	3,216	2,341	23,303	28,860

II. NOTES TO THE FINANCIAL INFORMATION AND COMPARATIVE FINANCIAL INFORMATION

1. GENERAL INFORMATION

CinMedia was incorporated in the BVI with limited liability on 5 July 2006. Its registered office is at OMC Chambers, P.O. Box 3152, Road Town, Tortola, the BVI and principal place of business is located at 26th Floor, 625 King's Road, North Point, Hong Kong.

The principal activities of CinMedia and its subsidiaries are the provision of advertising services in Hong Kong, the PRC and Taiwan. CinMedia and its subsidiaries are collectively referred to as the "CinMedia Group" hereafter.

The directors consider CinMedia's ultimate holding company, intermediate holding company and immediate holding company to be ER2 Holdings Limited, which is a private company incorporated in Hong Kong, Cinderella Media Group Limited ("Cinderella Media"), which is a limited company registered in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited and Recruit (BVI) Limited, which is a private company incorporated in the BVI respectively.

The Financial Information is presented in Hong Kong dollar ("HK$") which is also the functional currency of CinMedia and all values are rounded to the nearest thousands ("HK$'000") unless otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Information and the Comparative Financial Information have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing and presenting the Financial Information and the Comparative Financial Information, the CinMedia Group has consistently applied HKFRSs which are effective for the accounting periods commencing on or after 1 January 2015. The significant accounting policies that have been used in the preparation of the Financial Information and the Comparative Financial Information are summarised below. These policies have been consistently applied to the years/periods presented unless otherwise stated.

The Financial Information and the Comparative Financial Information have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the Financial Information and the Comparative Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information and the Comparative Financial Information, are disclosed in note 4.

2.2 Basis of consolidation

The Financial Information and the Comparative Financial Information comprise the financial statements of CinMedia and its subsidiaries (see note 2.3). Transactions and balances between group companies are eliminated in preparing the Financial Information and the Comparative Financial Information. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the Relevant Period are included in the Financial Information and the Comparative Financial Information from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the CinMedia Group.

When the CinMedia Group loses control of a subsidiary, profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

2.3 Subsidiaries

A subsidiary is an investee over which the CinMedia Group is able to exercise control. The CinMedia Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the statements of financial position of CinMedia, subsidiaries are carried at cost less any impairment loss, if any. The results of the subsidiaries are accounted for by CinMedia on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in profit or loss of CinMedia.

2.4 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entities using the exchange rates prevailing at the dates of the transactions. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the CinMedia Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

2.5 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation on property, plant and equipment is provided to write off their costs over their estimated useful lives, using straight-line method, at the following rates per annum:

Leasehold land and buildings	Over 50 years or the lease term, whichever is shorter
Furniture and fixtures	20%
Office equipment	20%
Leasehold improvements	20% – 50% or over the lease term, whichever is shorter
Computer equipment and system	33%
Motor vehicles	20%

The asset's depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the CinMedia Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss of the financial period in which they are incurred.

2.6 Prepaid land lease payments

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.9. Amortisation is calculated on straight-line method over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the CinMedia Group from use of the land.

2.7 Financial assets

The CinMedia Group's accounting policies for financial assets other than investments in subsidiaries are set out below. The CinMedia Group's financial assets are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the CinMedia Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value.

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the CinMedia Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as default or delinquency in interest or principal payments;
- granting concession to a debtor because of the debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtors.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group. If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the financial period in which the impairment occurs.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the financial period in which the reversal occurs.

For financial assets other than financial assets at fair value through profit or loss and loans and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, impairment losses for doubtful receivables are recorded using an allowance account. When the CinMedia Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.8 Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash in hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, less bank overdrafts which are payable on demand and form an integral part of the CinMedia Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash in hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.9 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the CinMedia Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Classification of assets leased to the CinMedia Group

Assets that are held by the CinMedia Group under leases which transfer to the CinMedia Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the CinMedia Group are classified as operating leases.

Operating lease charges as the lessee

Where the CinMedia Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.10 Financial liabilities

The CinMedia Group's financial liabilities included trade and other payables, amounts due to immediate holding company and fellow subsidiaries. These are initially recognised at their fair value and subsequently measured at amortised cost, using effective interest method.

Financial liabilities are recognised when, and only when the CinMedia Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the CinMedia Group's accounting policy for borrowing costs.

A financial liability is de-recognised when, and only when the obligation under the financial liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2.11 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the possibility of outflow of economic benefits is remote.

2.12 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issue of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for the rendering of services, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the CinMedia Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

(i) Advertising income is recognised on the date of the relevant publication issue.

(ii) Interest income is recognised on time-proportion basis using effective interest method.

(iii) Dividend income is recognised when the right to receive the dividend is established.

2.14 Impairment of non-financial assets

Property, plant and equipment, prepaid land lease payments and CinMedia's investments in subsidiaries are subject to impairment testing.

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually. All other assets are tested for impairment whenever there are indications that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU"). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Impairment loss is charged pro-rata to the assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value-in-use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount of the asset or the CGU and only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.15 Employee benefits

Retirement benefits

The CinMedia Group participates in several staff retirement benefit schemes for employees in Hong Kong, the PRC, except Hong Kong and Taiwan, comprising defined contribution retirement schemes and a Mandatory Provident Fund Scheme. The assets of these schemes are held separately from those of the CinMedia Group in independently administered funds. The retirement benefit schemes are generally funded by payments from employees and by the relevant group companies. The retirement benefit scheme costs charged to profit or loss represents contributions payable by the CinMedia Group to the schemes.

The subsidiaries operating in the PRC and Taiwan are required to participate in the defined contribution retirement schemes for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement benefit schemes at a specified percentage of employees' relevant income and there are no other further obligations to the CinMedia Group.

Share-based employee compensation

CinMedia's intermediate holding company, Cinderella Media operates equity-settled share-based compensation plans to remunerate its employees and directors.

For the share options granted by Cinderella Media to the employees of the CinMedia Group, the share-based compensation is recharged as an expense in the CinMedia Group's profit or loss with a corresponding credit to amount due to intermediate holding company.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.16 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.17 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, taxation authorities relating to the current or prior reporting period, that are unpaid at the reporting date. These are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, except where the CinMedia Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply to the period when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Current tax and changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

Current tax assets and current tax liabilities are presented in net if, and only if: (a) the CinMedia Group has a legally enforceable right to set off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The CinMedia Group presents deferred tax assets and deferred tax liabilities in net if, and only if: (a) the CinMedia Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.18 Segment reporting

The CinMedia Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the directors for their decisions about resources allocation to the CinMedia Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the directors are determined following the CinMedia Group's major service lines.

The CinMedia Group has identified one reportable segment, which is the provision of advertising services. No segment information is presented other than the analysis of sales and non-current assets by geographical location.

The measurement policies the CinMedia Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- expenses related to share-based payments
- finance costs
- income tax

are not included in arriving at the operating results of the operating segments.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities.

No asymmetrical allocations have been applied to reportable segment.

2.19 Related parties

(i) A person or a close member of that person's family is related to the CinMedia Group if that person:

(a) has control or joint control over the CinMedia Group;
(b) has significant influence over the CinMedia Group; or
(c) is a member of the key management personnel of the CinMedia Group or of the CinMedia Group's parent.

(ii) An entity is related to the CinMedia Group if:

(a) the entity and the CinMedia Group are members of the same group.
(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(c) both entities are joint venture of the same third party.
(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(e) the entity is a post-employment benefit plan for the benefit of employees of either the CinMedia Group or an entity related to the CinMedia Group.
(f) the entity is controlled or jointly controlled by a person identified in (i).
(g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependants of that person or that person's spouse or domestic partner.

3. ADOPTION OF NEW OR AMENDED HKFRSs

Information on new or amended HKFRSs that have not been adopted early by the CinMedia Group but expected to have impact on the CinMedia Group's accounting policies/disclosures in the CinMedia Group's financial statements is provided below. The directors of CinMedia anticipate that all of the pronouncements will be adopted in the accounting policies of the CinMedia Group for the first period beginning after the effective date of the pronouncement.

Amendment to HKAS 1 – Disclosure Initiative

The standard is effective for accounting periods beginning on or after 1 January 2016. The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should se professional judgement in determining where and in what order information is presented in the financial disclosures.

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 Contract 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Financial Information requires management to make judgement, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of receivables and advances

The policy for impairment of receivables and advances of the CinMedia Group is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding balances, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the CinMedia Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

(ii) Depreciation

The CinMedia Group depreciates property, plant and equipment using straight-line method over the estimated useful lives, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the directors' best estimate of the periods that the CinMedia Group intends to derive future economic benefits from the use of the CinMedia Group's property, plant and equipment.

(iii) Current taxation and deferred taxation

The CinMedia Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the amount of the provision of taxation and the timing of the related tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final outcome of the tax matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. TURNOVER

Turnover represents the revenue from the advertising income earned by the CinMedia Group during the Relevant Period.

6. SEGMENT INFORMATION

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

The CinMedia Group's revenue from external customers is divided into the following geographical areas:

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
PRC	728,311	437,206	27,071	15,924	–
Hong Kong (domicile)	27,601	33,654	28,399	9,816	7,763
Taiwan	8,012	9,262	8,163	4,347	3,397
	763,924	480,122	63,633	30,087	11,160

The CinMedia Group's non-current assets are divided into the following geographical areas:

	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
PRC	9,321	9,300	8,962	371
Hong Kong (domicile)	1,127	99	41	27
Taiwan	42	28	19	16
	10,490	9,427	9,022	414

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

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

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Reportable segment profits/(loss)	157,411	55,000	19,628	13,537	(4,711)
Equity-settled share-based payments	(125)	–	–	–	–
Finance costs	(75)	–	–	–	–
Profit/(Loss) before income tax	157,211	55,000	19,628	13,537	(4,711)

	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	498,989	405,288	89,717	43,651
Group assets	498,989	405,288	89,717	43,651
Reportable segment liabilities	207,377	369,076	53,782	12,494
Deferred tax liabilities	14,363	16,423	295	295
Group liabilities	221,740	385,499	54,077	12,789

During the year ended 31 December 2012, approximately 54% of the CinMedia Group's turnover was derived from 3 major customers. Turnover generated from these 3 major customers are HK$182,475,000, HK$124,773,000 and HK$104,019,000.

During the year ended 31 December 2013, approximately 51% of the CinMedia Group's turnover was derived from 2 major customers. Turnover generated from these 2 major customers are HK$138,044,000 and HK$108,395,000.

During the five months ended 31 May 2015, approximately 52% of the CinMedia Group's turnover was derived from 4 major customers. Turnover generated from these 4 major customers are HK$1,901,000, HK$1,541,000, HK$1,259,000 and HK$1,139,000.

7. OTHER REVENUE AND NET INCOME

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interest income	2,391	841	85	73	1
Impairment loss on trade receivables written back	1,664	3,849	3,605	2,007	1,197
Exchange gain, net	725	–	–	415	–
Gain on disposal of property, plant and equipment and prepaid land lease payments	–	–	–	–	1,221
Sundry income	2,023	946	382	71	–
	6,803	5,636	4,072	2,566	2,419

8. FINANCE COSTS

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interest charges on bank borrowings wholly repayable within one year	75	–	–	–	–

9. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Amortisation of prepaid land lease payments	143	146	147	61	49
Auditor's remuneration	394	333	132	81	43
Depreciation of property, plant and equipment, included in administrative expense	1,456	1,394	437	199	133
Employee benefit expense *(note 11)*	21,479	25,289	12,659	5,061	5,465
Impairment of trade receivables*	5,446	4,139	1,658	324	–
Impairment of amounts due from fellow subsidiaries	–	–	4,692	–	–
Operating lease charges in respect of office premises	1,033	1,082	796	405	81
Loss/(Gain) on disposal of property, plant and equipment and prepaid land lease payments	25	–	100	5	(1,221)
Loss on disposals of subsidiaries	–	–	1,919	–	–

* Included as other operating expenses in the consolidated statement of profit or loss and other comprehensive income.

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

10.1 Directors' emoluments

There are no directors' emoluments paid by the CinMedia Group during the Relevant Period.

10.2 Five highest paid individuals

Emoluments payable to the five individuals whose emoluments were the highest in the CinMedia Group for the Relevant Period is as follows:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Salaries, allowances, discretionary bonuses and other benefits	5,221	5,011	5,891	1,550	1,651
Retirement benefit scheme contributions	261	305	143	93	111
Equity-settled share-based payments	96	–	–	–	–
	5,578	5,316	6,034	1,643	1,762

The emoluments fell within the following bands:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Nil to HK$1,000,000	3	1	1	5	5
HK$1,000,001 to HK$2,000,000	2	4	4	–	–

During the Relevant Period, no emoluments were paid by the CinMedia Group to any of the five highest paid individuals as an inducement to join or upon joining the CinMedia Group or as compensation for loss of office.

10.3 Senior management emolument band

The remuneration paid to the senior management for the Relevant Period is as follows:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries, allowances, discretionary bonuses and other benefits	3,091	2,510	2,926	679	778
Retirement benefit scheme contributions	93	115	72	50	55
Equity-settled share-based payments	96	–	–	–	–
	3,280	2,625	2,998	729	833

The remuneration paid to the senior management for the Relevant Period fell within the following band:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Nil to HK$1,000,000	–	–	–	2	2
HK$1,000,001 to HK$2,000,000	2	2	2	–	–

11. EMPLOYEE BENEFIT EXPENSE (including directors' emoluments)

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Wage, salaries and other benefits	19,402	23,284	11,248	4,415	5,246
Equity-settled share-based payments *(note 25)*	125	–	–	–	–
Retirement benefit scheme contributions	1,952	2,005	1,411	646	219
	21,479	25,289	12,659	5,061	5,465

12. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the Relevant Period. Taxation on overseas profits has been calculated on the estimated assessable profits for the Relevant Period at the rates of taxation prevailing in the countries in which the CinMedia Group operates.

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Hong Kong profits tax					
Current year/period	1,350	3,000	330	–	–
(Over)/Under provision in prior years	–	(340)	19	–	–
	1,350	2,660	349	–	–
Overseas tax					
Current year/period	30,421	14,190	14,878	5,229	67
Over provision in prior years	–	–	(1,919)	–	–
	30,421	14,190	12,959	5,229	67
Deferred tax *(note 23)*	–				
Current year	14,363	2,060	(9,770)	(928)	–
	46,134	18,910	3,538	4,301	67

Reconciliation between income tax expense and accounting profits/(loss) at applicable tax rates for each of the Relevant Period is as follows:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Profit/(Loss) before income tax	157,211	55,000	19,628	13,537	(4,711)
Notional tax calculated at the rates applicable to the profits/(loss) in the tax jurisdictions concerned	39,245	13,281	4,384	3,262	(878)
Tax effect of non-taxable revenue	(8,027)	(1,673)	(1,163)	(678)	(87)
Tax effect of non-deductible expenses	794	5,415	1,930	731	324
Tax effect of tax losses not recognised	5	4	4	2	707
Tax effect of temporary differences not recognised	163	163	4	2	1
Utilisation of previously unrecognised tax losses	(409)	–	–	–	–
Over provision in prior years	–	(340)	(1,900)	–	–
Withholding tax on undistributed earnings of PRC subsidiaries	14,363	2,060	279	982	–
Income tax expense	46,134	18,910	3,538	4,301	67

13. PROFIT ATTRIBUTABLE TO OWNER OF CINMEDIA

The consolidated profit attributable to owner of CinMedia for the years ended 31 December 2012, 2013 and 2014 and for the five months period ended 31 May 2014 and 2015 includes loss of HK$5,000, loss of HK$5,000, profit of HK$6,870,000, loss of HK$2,000 (unaudited) and profit of HK$526,000, respectively, which have been dealt with in the financial statements of CinMedia.

14. DIVIDENDS

CinMedia

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interim dividends	85,000	295,700	–	–	–

15. EARNINGS PER SHARE ATTRIBUTABLE TO OWNER OF CINMEDIA

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

16. PROPERTY, PLANT AND EQUIPMENT

The CinMedia Group	Leasehold land and buildings *HK$'000*	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Leasehold improvements *HK$'000*	Computer equipment and system *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
At 1 January 2012							
Cost	3,159	219	21	938	3,801	130	8,268
Accumulated depreciation	(162)	(122)	(10)	(710)	(1,519)	(28)	(2,551)
Net carrying amount	2,997	97	11	228	2,282	102	5,717
Year ended 31 December 2012							
Opening net carrying amount	2,997	97	11	228	2,282	102	5,717
Exchange realignments	24	1	–	1	–	1	27
Additions	–	45	36	94	208	–	383
Disposals	–	(20)	(4)	(6)	–	–	(30)
Depreciation	(72)	(32)	(11)	(101)	(1,214)	(26)	(1,456)
Closing net carrying amount	2,949	91	32	216	1,276	77	4,641
At 31 December 2012 and 1 January 2013							
Cost	3,184	197	52	604	3,998	131	8,166
Accumulated depreciation	(235)	(106)	(20)	(388)	(2,722)	(54)	(3,525)
Net carrying amount	2,949	91	32	216	1,276	77	4,641

The CinMedia Group	Leasehold land and buildings HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Leasehold improvements HK$'000	Computer equipment and system HK$'000	Motor vehicles HK$'000	Total HK$'000
Year ended 31 December 2013							
Opening net carrying amount	2,949	91	32	216	1,276	77	4,641
Exchange realignments	71	–	–	4	2	2	79
Additions	–	81	18	80	77	–	256
Depreciation	(74)	(35)	(12)	(68)	(1,178)	(27)	(1,394)
Closing net carrying amount	2,946	137	38	232	177	52	3,582
At 31 December 2013 and 1 January 2014							
Cost	3,261	279	70	688	4,081	134	8,513
Accumulated depreciation	(315)	(142)	(32)	(456)	(3,904)	(82)	(4,931)
Net carrying amount	2,946	137	38	232	177	52	3,582
Year ended 31 December 2014							
Opening net carrying amount	2,946	137	38	232	177	52	3,582
Exchange realignments	(22)	(2)	–	(5)	–	–	(29)
Additions	–	–	50	294	10	–	354
Disposals	–	(28)	(2)	(36)	(34)	–	(100)
Depreciation	(74)	(38)	(23)	(170)	(105)	(27)	(437)
Closing net carrying amount	2,850	69	63	315	48	25	3,370
At 31 December 2014 and 1 January 2015							
Cost	3,236	160	100	507	3,833	133	7,969
Accumulated depreciation	(386)	(91)	(37)	(192)	(3,785)	(108)	(4,599)
Net carrying amount	2,850	69	63	315	48	25	3,370
Five months ended 31 May 2015							
Opening net carrying amount	2,850	69	63	315	48	25	3,370
Additions	–	–	–	–	2	–	2
Disposals	(2,825)	–	–	–	–	–	(2,825)
Depreciation	(25)	(9)	(8)	(62)	(18)	(11)	(133)
Closing net carrying amount	–	60	55	253	32	14	414
At 31 May 2015							
Cost	–	160	100	507	3,835	133	4,735
Accumulated depreciation	–	(100)	(45)	(254)	(3,803)	(119)	(4,321)
Net carrying amount	–	60	55	253	32	14	414

The CinMedia Group's leasehold land and buildings were situated in the PRC and were held under medium-term leases.

On 27 March 2015, the CinMedia Group disposed of its properties which are grouped under leasehold land and buildings above and prepaid land lease payments (note 17) to Recruit Management Consulting (Shanghai) Co. Ltd., a fellow subsidiary of the Company, at a consideration of HK$9,651,000. Management of the Group forecasted the decline in inflight magazine business and assigned the property to other operating company within the Group for better usage/planning of the Group's resources.

17. PREPAID LAND LEASE PAYMENTS

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year/period				
Cost	6,264	6,315	6,470	6,418
Accumulated amortisation	(320)	(466)	(625)	(766)
Net book amount	5,944	5,849	5,845	5,652
Opening net book amount	5,944	5,849	5,845	5,652
Exchange realignments	48	142	(46)	–
Disposals	–	–	–	(5,603)
Amortisation	(143)	(146)	(147)	(49)
Closing net book amount	5,849	5,845	5,652	–
At end of the year/period				
Cost	6,315	6,470	6,418	–
Accumulated amortisation	(466)	(625)	(766)	–
Net book amount	5,849	5,845	5,652	–

The CinMedia 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.

18. INVESTMENTS IN SUBSIDIARIES

CinMedia

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted equity, at cost	116	116	106	106

As at the date of this report, particulars of the subsidiaries held by CinMedia are set out as follows:

Company name	Date and place of incorporation/ establishment and type of legal entity	Particulars of registered/ issued capital	Effective interest held by CinMedia	Principal activities and place of operation
CinMedia Limited	Incorporated in Hong Kong on 26 July 2004, limited liability company	HK$ 1	100%	Provision of advertising services, Hong Kong
Eastern Inflight Magazine Productions Limited	Incorporated in the BVI on 12 February 2004, limited liability company	US Dollar ("US$") 100	100%	Provision of advertising services, Hong Kong
Southern Inflight Magazine Production Limited	Incorporated in Anguilla on 19 April 2005, limited liability company	US$1	100%	Provision of advertising services, Hong Kong
EAR Media Limited	Incorporated in Hong Kong on 23 April 1991, limited liability company	HK$105,000	100%	Investment holding, Hong Kong
Iguazu (Shanghai) Advertising Company Limited	Established in the PRC on 8 December 2008, limited liability company	US$300,000 (registered capital)	100%	Provision of advertising services, the PRC
CinMedia Publishing Limited	Incorporated in Hong Kong on 18 March 2009, limited liability company	HK$1	100%	Investment holding, Hong Kong
CinMedia (Taiwan) Limited	Incorporated in Taiwan on 12 January 2010, limited liability company	Taiwan Dollar ("TWD") 250,000	100%	Provision of advertising services, Taiwan

Amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

19. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	83,382	43,672	7,826	5,061
Less: Provision for impairment	(7,124)	(5,729)	(3,429)	(970)
	76,258	37,943	4,397	4,091
Other receivables and deposits	28,837	23,932	8,318	4,271
	105,095	61,875	12,715	8,362

CinMedia

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	–	–	825	–
Other receivables	4	4	–	–
	4	4	825	–

Movement in the provision for impairment loss on trade receivables is as follows:

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	3,482	7,124	5,729	3,429
Amounts written off	(165)	(1,825)	(124)	(1,262)
Impairment loss recognised	5,446	4,139	1,658	–
Impairment loss recovered	(1,664)	(3,849)	(3,605)	(1,197)
Disposals of subsidiaries	–	–	(241)	–
Exchange differences	25	140	12	–
Balance at end of the year/period	7,124	5,729	3,429	970

The CinMedia Group recognised provision for impairment of trade receivables based on the accounting policy stated in note 2.7.

Ageing analysis of trade receivables, net of provision as at each reporting date, based on invoice date, is as follows:

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	19,946	11,286	1,361	2,710
31 – 60 days	11,997	8,743	1,268	311
61 – 90 days	1,045	–	–	–
91 – 120 days	9,076	9,387	590	1,070
121 – 150 days	9,148	4,323	439	–
Over 150 days	25,046	4,204	739	–
Total trade receivables	76,258	37,943	4,397	4,091

CinMedia

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	–	–	156	–
31 – 60 days	–	–	223	–
61 – 90 days	–	–	–	–
91 – 120 days	–	–	223	–
121 – 150 days	–	–	223	–
Total trade receivables	–	–	825	–

The CinMedia Group allows a credit period from 0 to 90 days to its customers.

The directors consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

All trade receivables are subject to credit risk exposure. At each reporting dates, the CinMedia Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 December 2012, 2013, 2014 and 31 May 2015, the CinMedia Group determined trade receivables of HK$7,124,000, HK$5,729,000, HK$3,429,000 and HK$970,000 respectively as impaired and as a result, impairment loss of HK$5,446,000, HK$4,139,000, HK$1,658,000 and Nil respectively has been recognised for the years ended 31 December 2012, 2013, 2014 and five months ended 31 May 2015. The impaired trade receivables are due from customers experiencing financial difficulties.

At each reporting date, the CinMedia Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables past due but not impaired is as follows:

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	34,850	18,078	2,487	2,794
1 – 30 days past due	17,830	7,626	364	227
31 – 90 days past due	20,423	9,008	1,000	1,070
Over 90 days past due but less than one year	3,155	3,231	546	–
	41,408	19,865	1,910	1,297
Total trade receivables	76,258	37,943	4,397	4,091

CinMedia

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	–	–	379	–
1 – 30 days past due	–	–	223	–
31 – 90 days past due	–	–	223	–
	–	–	446	–
Total trade receivables	–	–	825	–

Trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the CinMedia Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The CinMedia Group did not hold any collateral in respect of these balances.

Other receivables and deposits as at 31 December 2012, 2013, 2014 and 31 May 2015 included deposits paid to airlines of HK$21,361,000, HK$19,685,000, HK$6,450,000 and HK$3,364,000 respectively in accordance with the relevant agreements of the inflight business.

20. AMOUNTS DUE FROM/(TO) INTERMEDIATE HOLDING COMPANY, IMMEDIATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due from fellow subsidiaries	19	17,407	58,422	4,692
Less: Provision for impairment	–	–	(4,692)	(4,692)
	19	17,407	53,730	–

Amounts due are unsecured, interest-free and repayable on demand.

21. CASH AND CASH EQUIVALENTS

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank and cash balances	88,336	75,209	13,069	24,822
Short-term bank deposits	–	28,526	–	–
Cash and cash equivalents	88,336	103,735	13,069	24,822

Short-term bank deposits of the CinMedia Group as at 31 December 2013 earned interest at the rates ranging from 1.485% – 1.8% per annum. These deposits had maturity of 7 days and were eligible for immediate cancellation without penalty but any interest for the last deposit period would be forfeited. The directors considered that the fair value of short-term bank deposits was not materially different from its carrying amount because of the short maturity period on its inception.

As at 31 December 2012, 2013, 2014 and 31 May 2015, included in bank and cash balances of the CinMedia Group is balances of HK$77,001,000, HK$76,537,000, HK$540,000 and HK$670,000 denominated in Renminbi ("RMB") placed with the banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the CinMedia Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

22. TRADE AND OTHER PAYABLES

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	52,566	53,009	–	–
Other payables and accruals	42,446	41,459	13,978	12,132
	95,012	94,468	13,978	12,132

Ageing analysis of trade payables based on invoice date is as follows:

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	12,095	12,950	–	–
31 – 60 days	10,615	12,490	–	–
61 – 90 days	7,573	11,316	–	–
91 – 120 days	7,151	10,157	–	–
Over 120 days	15,132	6,096	–	–
Total trade payables	52,566	53,009	–	–

Credit terms granted by suppliers are 30 to 90 days save for the net balance payable to a major business partner of the CinMedia Group which is settled on a half-yearly basis according to the terms of an agreement signed with this business partner.

All amounts are short-term and hence the carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

23. DEFERRED TAX

Deferred taxation is calculated on temporary differences under liability method using the rates of taxation prevailing in the countries in which the CinMedia Group operates.

The CinMedia Group

Movements of deferred tax liabilities recognised in the statement of financial position during the Relevant Period are as follows:

	Temporary difference on withholding tax on undistributed profits of PRC subsidiaries			
	At 31 December			**At 31 May**
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	–	14,363	16,423	295
Charged/(Credited) to profit or loss	14,363	2,060	(9,770)	–
Disposals of subsidiaries	–	–	(6,511)	–
Exchange differences	–	–	153	–
Balance at end of the year/period	14,363	16,423	295	295

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investment enterprises established in the PRC. Effective from 1 January 2008, a lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The applicable rate to the CinMedia Group is 10%. The CinMedia Group is liable to withholding taxes on dividends distributed by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008.

No deferred tax has been provided in the financial statements of CinMedia as there are no temporary differences.

24. SHARE CAPITAL

	At 31 December			**At 31 May**
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Authorised:				
50,000 ordinary shares of US$1 each	390	390	390	390
Issued and fully paid:				
1 ordinary share of US$1	–	–	–	–

CinMedia was incorporated in the BVI on 5 July 2006 as a limited liability company with authorised capital of US$50,000 divided into 50,000 ordinary shares of US$1 each. 1 ordinary share of CinMedia of US$1 was issued and fully paid up at par upon incorporation.

25. SHARE-BASED EMPLOYEE COMPENSATION

The share option scheme of Cinderella Media (the "Share Option Scheme") was adopted pursuant to a resolution passed on 13 July 2007 and will expire on 12 July 2017. The purpose of the Share Option Scheme is to reward participants who have contributed to the group of Cinderella Media and to encourage participants to work towards enhancing the value of Cinderella Media and its shares for the benefit of Cinderella Media and its shareholders as a whole. The board of directors of Cinderella Media may, at its discretion, offer to directors, employees of any member of the group of Cinderella Media, any advisors and service providers of any member of the group of Cinderella Media, options to subscribe for shares in Cinderella Media at a price not less than the highest of: (i) the closing price of the shares of Cinderella Media on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the option; (ii) the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of the grant of the options; and (iii) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option irrespective of numbers of share options granted.

The share-based employee compensation was settled by the issue of Cinderella Media's ordinary shares. The CinMedia Group had no legal or constructive obligation to repurchase or settle the options.

Details of the share options granted under the Share Option Scheme are as follows:

Date of grant	Number of options granted	Vesting period	Exercisable period	Exercise price per share *HK$*
18/08/2008	5,700,000	18/08/2008 to 17/08/2009	18/08/2009 to 17/08/2013	0.93
18/08/2008	5,700,000	18/08/2008 to 17/08/2010	18/08/2010 to 17/08/2013	0.93
29/10/2009	300,000	29/10/2009 to 28/04/2010	29/04/2010 to 28/10/2014	0.902
29/10/2009	300,000	29/10/2009 to 28/10/2011	29/10/2011 to 28/10/2014	0.902
11/06/2010	2,190,000	11/06/2010 to 10/06/2011	11/06/2011 to 10/06/2015	1.600
11/06/2010	2,190,000	11/06/2010 to 10/06/2012	11/06/2012 to 10/06/2015	1.600
26/06/2010	4,860,000	23/06/2010 to 22/06/2011	23/06/2011 to 22/06/2015	1.636
26/06/2010	4,860,000	23/06/2010 to 22/06/2012	23/06/2012 to 22/06/2015	1.636
16/12/2011	250,000	16/12/2011 to 15/12/2012	16/12/2012 to 15/12/2016	2.000
16/12/2011	250,000	16/12/2011 to 15/12/2013	16/12/2013 to 15/12/2016	2.000

Details of movements of the share options under the Share Option Scheme held by directors of CinMedia and employees of the CinMedia Group for the Relevant Period are as follows:

	Number of share options			
Grantees	Outstanding at 1 January 2012	Exercised during the year	Transferred during the year	Outstanding at 31 December 2012
Lam Mei Lan *	2,400,000	(2,400,000)	–	–
Employees	2,520,000	(820,000)	–	1,700,000
	4,920,000	(3,220,000)	–	1,700,000

Grantees	Number of share options: Outstanding at 1 January 2013	Exercised during the year	Transferred during the year	Outstanding at 31 December 2013
Employees	1,700,000	(1,700,000)	–	–

* Ms. Lam Mei Lan was granted these options in her capacity as a director of Cinderella Media.

Share-based employee compensation expense of HK$125,000 was included in the profit or loss for the year ended 31 December 2012 with a corresponding credit to the current account with Cinderella Media. No other liabilities were recognised as they were all equity-settled share-based payment transactions.

26. RESERVES

The CinMedia Group

Movements in the reserves of the CinMedia Group during the Relevant Period are set out in the consolidated statements of changes in equity on page IIA-10.

In accordance with the relevant regulations prevailing in the PRC, certain of CinMedia's subsidiaries, established in the PRC, are required to appropriate not 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.

CinMedia

	Retained earnings			
	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	13	8	3	10,243
Total comprehensive income for the year/period	84,995	295,695	10,240	526
Dividends paid *(note 14)*	(85,000)	(295,700)	–	–
Balance at end of the year/period	8	3	10,243	10,769

27. OPERATING LEASE COMMITMENTS

The CinMedia Group

At each of the reporting date, the total future minimum lease payments of the CinMedia Group under non-cancellable operating leases in respect of office premises are payable as follows:

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	759	670	–	114
In the second to fifth year inclusive	104	373	–	–
	863	1,043	–	114

The CinMedia Group leases a number of properties under operating leases. The leases run for an initial period from 4 months to 2 years. None of the leases include contingent rentals.

CinMedia

CinMedia did not have any operating lease commitments as at each of the reporting date.

28. CAPITAL COMMITMENTS

At each reporting date, the CinMedia Group did not have any significant capital commitments.

29. DISPOSALS OF SUBSIDIARIES

(a) Disposal of SAR Media Limited

During the year ended 31 December 2014, the CinMedia 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, 廣州海螢廣告有限公司, 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)
	3,168
Gain on disposal of a subsidiary	32
Total consideration satisfied by cash	3,200
Net cash inflow arising on disposal:	
Cash consideration	3,200
Cash and cash equivalents disposed of	(3,175)
	25

(b) Disposal of 北京海溢吉盛廣告有限公司

During the year ended 31 December 2014, the CinMedia 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	(1,468)
	10,694
Loss on disposal of a subsidiary	(1,951)
Total consideration satisfied by cash	8,743
Net cash inflow arising on disposal:	
Cash consideration	8,743
Cash and cash equivalents disposed of	(1,205)
	7,538

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the Financial Information, the CinMedia Group had the following significant transactions with related parties during the Relevant Period:

The CinMedia Group

		Year ended 31 December			Five months ended 31 May	
Nature of transactions	**Name of related party**	**2012**	**2013**	**2014**	**2014**	**2015**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
IT service fee	Recruit Information Technology Limited ("RIT")	1,200	2,400	2,400	1,000	1,000
Management fee paid	Cinderella Media	2,400	3,600	3,600	1,500	1,500
Administrative fee paid	Recruit & Company Limited	2,100	2,000	–	–	–
	RIT	–	400	2,400	1,000	1,000
Sales of property, plant and equipment	Recruit Management Consulting (Shanghai) Co. Ltd.	–	–	–	–	9,651

RIT, Recruit & Company Limited and Recruit Management Consulting (Shanghai) Co. Ltd. are fellow subsidiaries of CinMedia.

Terms of the related party transactions carried out during the Relevant Period were mutually agreed between the CinMedia Group/CinMedia and its related parties.

Compensation of key management personnel

Details of the remuneration paid to key management personnel are set out in note 10.3 to the Financial Information.

31. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount and fair value of financial assets and liabilities:

The CinMedia Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables:				
Trade and other receivables and deposits	78,274	41,640	6,244	4,928
Amounts due from intermediate holding company	295,049	212,844	–	–
Amount due from immediate holding company	–	–	–	8,872
Amounts due from fellow subsidiaries	19	17,407	53,730	–
Cash and cash equivalents	88,336	103,735	13,069	24,822
	461,678	375,626	73,043	38,622
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables	95,012	94,468	13,978	12,132
Amounts due to immediate holding companies	85,000	265,700	–	–
Amounts due to fellow subsidiaries	–	660	39,429	–
	180,012	360,828	53,407	12,132

CinMedia

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables:				
Trade and other receivables and deposits	–	–	825	–
Amount due from intermediate holding company	–	–	–	8,872
Amounts due from subsidiaries	85,000	265,583	23,106	49,196
	85,000	265,583	23,931	58,068
Financial liabilities				
Financial liabilities measured at amortised cost:				
Other payables and accruals	–	–	4,907	1,935
Amounts due to immediate holding company	85,000	265,700	–	–
Amounts due to subsidiaries	112	–	–	45,470
Amounts due to fellow subsidiaries	–	–	8,887	–
	85,112	265,700	13,794	47,405

32. FINANCIAL RISK MANAGEMENT

The CinMedia Group's activities expose it to a variety of financial instrument risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The CinMedia Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CinMedia Group's financial performance by closely monitoring the individual exposure.

The CinMedia Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the CinMedia Group's exposure to a variety of risks which resulted from its operating and investing activities. Generally, the CinMedia Group adopts conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out as follows:

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the CinMedia Group. The CinMedia Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The CinMedia Group's financial assets are summarised in note 31 above.

The directors of CinMedia consider the CinMedia Group does not have a significant concentration of credit risk except those major customers as disclosed in note 6. In this regard, the CinMedia Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

The CinMedia Group also continuously evaluates the credit risk of its customers to ensure appropriateness of the amount of credit granted. Credit terms are extended to customers based on the evaluation of individual customer's financial conditions. In addition, the CinMedia Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the CinMedia Group for a number of years and are considered to be effective in limiting the CinMedia Group's exposure to credit risk to a desirable level. Further quantitative disclosures in respect of the CinMedia Group's exposure to credit risk arising from trade receivables are set out in note 19 to the financial statements.

The CinMedia Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the CinMedia Group's bank deposits are deposited with major reputable banks and financial institutions located in Hong Kong and the PRC.

(b) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The CinMedia Group does not have material exposure to currency risk as most of the CinMedia Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The CinMedia Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. The directors are of the opinion that the CinMedia Group's sensitivity to the change in foreign currency exchange rates is low. CinMedia is not exposed to any foreign currency risk.

(c) Interest rate risk

The CinMedia Group does not have material exposure to interest rate risk, as the CinMedia Group has no financial assets and liabilities of material amounts with floating interest rates except for deposits held in banks. Cash at bank earns interest at floating rates based on the daily bank deposit rates during the Relevant Period. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the CinMedia Group.

During the Relevant Period, management did not consider it necessary to use interest rate swaps to hedge their exposure to interest rate risk as the interest rate risk exposure is not significant.

(d) Liquidity risk

The CinMedia Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term. The CinMedia Group had net current assets of HK$281,122,000, HK$26,785,000, HK$26,913,000 and HK$30,743,000 and net assets of HK$277,249,000, HK$19,789,000, HK$35,640,000 and HK$30,862,000 as at 31 December 2012, 2013, 2014 and 31 May 2015 respectively. In the opinion of directors, the CinMedia Group's exposure to liquidity risk is limited.

As at each reporting date, the financial liabilities of the CinMedia Group and CinMedia, based on the contracted undiscounted payments, matured either within three months or on demand.

(e) Fair values

The directors of CinMedia consider the fair values of the CinMedia Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments.

33. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The CinMedia Group's objectives when managing capital are (1) to safeguard the CinMedia Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders; (2) to support the CinMedia Group's stability and growth; and (3) to provide capital for the purpose of strengthening the CinMedia Group's risk management capability.

The CinMedia Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the CinMedia Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The CinMedia Group has not adopted any formal dividend policy.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2012, 2013, 2014 and 31 May 2015 amounted to HK$277,249,000, HK$19,789,000, HK$35,640,000 and HK$30,862,000 respectively, which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

III. EVENT AFTER THE REPORTING DATE

There is no significant event after the reporting date.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the CinMedia Group, CinMedia or any of its subsidiaries in respect of any period subsequent to 31 May 2015.

BDO Limited
Certified Public Accountants
Li Pak Ki
Practising Certificate Number: P01330

Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE CINMEDIA GROUP

Set out below is the management discussion and analysis on the CinMedia Group for each of the three years ended 31 December 2012, 2013 and 2014, and five months ended 31 May 2015.

(i) For the year ended 31 December 2012

Business review

The CinMedia Group recorded turnover of approximately HK$763.9 million and gross profit of approximately HK$201.1 million for the year ended 31 December 2012. A net profit of approximately HK$111.1 million was recorded for the year ended 31 December 2012 as a result of the strong momentum in the airline industry and growth in customer industry in the PRC. The CinMedia Group was the exclusive advertising agent of inflight magazines for major airlines in Great China, namely China Eastern Airlines, China Southern Airlines, Air China and China Airlines. The CinMedia Group's major advertising customers are mainly from the real estates, automobile, electronics and watch and jewelry sectors which were leading the growth of consumer markets in the PRC in 2012.

Liquidity and financial resources

The CinMedia Group generally finances its operations with internally generated cashflow. The CinMedia Group adopts centralised financing and treasury policies in order to ensure the CinMedia Group's funding is utilised efficiently. As at 31 December 2012, the CinMedia Group had net current assets of approximately HK$281.1 million. The CinMedia Group's current ratio as at 31 December 2012, which is defined as current assets over current liabilities, was 2.4. The financial position of the CinMedia Group was healthy with total cash and bank deposits of approximately HK$88.3 million as at 31 December 2012. The CinMedia Group had no borrowings or committed borrowing facilities as at 31 December 2012 and its gearing ratio as at 31 December 2012 was therefore nil.

Exchange rate exposure

The CinMedia Group does not have material exposure to currency risk as most of the CinMedia Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The CinMedia Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2012, the CinMedia Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The CinMedia Group did not have any significant investments, material acquisitions or disposals during the year ended 31 December 2012.

Contingent liabilities and capital commitment

As at 31 December 2012, the CinMedia Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2012, the CinMedia Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2012, the CinMedia Group had around 58 employees. The employee benefit expense (including directors' emoluments) incurred by the CinMedia Group was approximately HK$21.5 million for the year ended 31 December 2012. The pay scale of the CinMedia Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the CinMedia Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2012.

(ii) For the year ended 31 December 2013

Business review

The CinMedia Group recorded turnover of approximately HK$480.1 million (2012: HK$763.9 million) and gross profit of approximately HK$103.2 million (2012: HK$201.1 million) for the year ended 31 December 2013. A net profit of approximately HK$36.1 million (2012: HK$111.1 million) was recorded for the year ended 31 December 2013 as a result of expiration of the exclusive inflight magazine advertising agreement with Air China on 31 December 2012. The advertising income of the inflight magazine of Air China accounted for approximately 39% of the total turnover of the CinMedia Group in 2012. The expiration of the agreement caused significant decrease in turnover and net profit of the CinMedia Group.

Liquidity and financial resources

The CinMedia Group generally finances its operations with internally generated cashflow. The CinMedia Group adopts centralised financing and treasury policies in order to ensure the CinMedia Group's funding is utilised efficiently. As at 31 December 2013, the CinMedia Group had net current assets of approximately HK$26.8 million (2012: HK$281.1 million). The CinMedia Group's current ratio as at 31 December 2013, which is defined as current assets over current liabilities, was 1.1 (2012: 2.4). The financial position of the CinMedia Group was healthy with total cash and bank deposits of approximately HK$103.7 million as at 31 December 2013 (2012: HK$88.3 million). The CinMedia Group had no borrowings or committed borrowing facilities as at 31 December 2013 and its gearing ratio as at 31 December 2013 was therefore nil (2012: nil).

Exchange rate exposure

The CinMedia Group does not have material exposure to currency risk as most of the CinMedia Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The CinMedia Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2013, the CinMedia Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The CinMedia Group did not have any significant investments, material acquisitions or disposals during the year ended 31 December 2013.

Contingent liabilities and capital commitment

As at 31 December 2013, the CinMedia Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2013, the CinMedia Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2013, the CinMedia Group had around 44 employees (2012: 58). The employee benefit expense (including directors' emoluments) incurred by the CinMedia Group was approximately HK$25.3 million for the year ended 31 December 2013. The pay scale of the CinMedia Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the CinMedia Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2013.

(iii) For the year ended 31 December 2014

Business review

The CinMedia Group recorded turnover of approximately HK$63.6 million (2013: HK$480.1 million) and gross profit of approximately HK$51.3 million (2013: HK$103.2 million) for the year ended 31 December 2014. A net profit of approximately HK$16.1 million (2013: HK$36.1 million) was recorded for the year ended 31 December 2014. The advertising income generated from the inflight magazines published by CSA Media and CEA Media and the annual fees payable under the advertising agency contracts with CSA Media and CEA Media accounted for majority of the CinMedia Group's total revenue and direct operating costs respectively in 2013. In 2014, the Disposal Group restructured its PRC sales companies whereby the CinMedia Group transferred the advertising agency contracts with CSA Media and CEA Media to the Easking Group. Since then, the obligations to pay the annual fees to CSA Media and CEA Media had been assumed by the Easking Group and sales contracts for placing advertisements in the inflight magazines published by CSA Media and CEA Media were entered into by the Easking Group with the Group's customers. As a result, both turnover and direct operating costs of the CinMedia Group dropped significantly in 2014. In addition, there was a significant improvement in gross profit margin of the CinMedia Group from approximately 21.5% for 2013 to approximately 80.6% for 2014 primarily attributable to (i) the absence of annual fees payable to CSA Media and CEA Media; and (ii) the retention of certain advertising income generated by the CinMedia Group from those sales contracts for placing advertisements in the inflight magazines published by CSA Media and CEA Media already entered into before the advertising agency contracts with CSA Media and CEA Media were transferred to the Easking Group.

Liquidity and financial resources

The CinMedia Group generally finances its operations with internally generated cashflow. The CinMedia Group adopts centralised financing and treasury policies in order to ensure the CinMedia Group's funding is utilised efficiently. As at 31 December 2014, the CinMedia Group had net current assets of approximately HK$26.9 million (2013: HK$26.8 million). The CinMedia Group's current ratio as at 31 December 2014, which is defined as current assets over current liabilities, was 1.5 (2013: 1.1). The financial position of the CinMedia Group was healthy with total cash and bank deposits of approximately HK$13.1 million as at 31 December 2014 (2013: HK$103.7 million). The CinMedia Group had no borrowings or committed borrowing facilities as at 31 December 2014 and its gearing ratio as at 31 December 2014 was therefore nil (2013: nil).

Exchange rate exposure

The CinMedia Group does not have material exposure to currency risk as most of the CinMedia Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The CinMedia Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2014, the CinMedia Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

Save for (i) the disposal of entire issued share capital of SAR Media Limited to independent third parties at the consideration of HK$3.2 million; and (ii) the disposal of entire issued share capital of 北京海溢吉盛廣告有限公司 (translated as Beijing Hai Yi Ji Sheng Advertising Company Limited) to the independent third parties at the consideration of approximately HK$8.7 million, the CinMedia Group did not have any significant investments, material acquisitions or disposals during the year ended 31 December 2014.

Contingent liabilities and capital commitment

As at 31 December 2014, the CinMedia Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2014, the CinMedia Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2014, the CinMedia Group had around 31 employees (2013: 44). The employee benefit expense (including directors' emoluments) incurred by the CinMedia Group was approximately HK$12.7 million for the year ended 31 December 2014. The pay scale of the CinMedia Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the CinMedia Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2014.

(iv) For the five months ended 31 May 2015

Business review

The CinMedia Group recorded turnover of approximately HK$11.2 million (2014: HK$30.1 million) and gross profit of approximately HK$4.6 million (2014: HK$24.7 million) for the five months ended 31 May 2015. A net loss of approximately HK$4.8 million (2014: profit of HK$9.2 million) was recorded for the five months ended 31 May 2015. The significant decrease in advertising income was caused by the slowdown in the growth of luxury goods sales in China. The provision of internet and digital media in aircrafts and airport terminals has had significant impact to the CinMedia Group's traditional print media advertising business. Since the annual fees payable for the advertising agency contracts included fixed fees which are substantial relative to the total advertising income, the decline in advertising income had resulted in a significant decrease in the gross profit margin from approximately 81.8% for the five months ended 31 May 2014 to approximately 40.9% for the five months ended 31 May 2015.

On 27 March 2015, the CinMedia Group disposed of a property to Recruit Management Consulting (Shanghai) Co. Ltd. (a member of the Remaining Group) at a consideration of HK$9,651,000. Such property has been used as the office of the CinMedia Group. Please refer to note 16 to the accountant's report on the CinMedia Group set out in this appendix for further details about such disposal.

Liquidity and financial resources

The CinMedia Group generally finances its operations with internally generated cashflow. The CinMedia Group adopts centralised financing and treasury policies in order to ensure the CinMedia Group's funding is utilised efficiently. As at 31 May 2015, the CinMedia Group had net current assets of approximately HK$30.7 million (31 December 2014: HK$26.9 million). The CinMedia Group's current ratio as at 31 May 2015, which is defined as current assets over current liabilities, was 3.5 (31 December 2014: 1.5). The financial position of the CinMedia Group was healthy with total cash and bank deposits of approximately HK$24.8 million as at 31 May 2015 (31 December 2014: HK$13.1 million). The CinMedia Group had no borrowings or committed borrowing facilities as at 31 May 2015 and its gearing ratio as at 31 May 2015 was therefore nil (31 December 2014: nil).

Exchange rate exposure

The CinMedia Group does not have material exposure to currency risk as most of the CinMedia Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The CinMedia Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the five months ended 31 May 2015, the CinMedia Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The CinMedia Group did not have any significant investments, material acquisitions or disposals during the five months ended 31 May 2015.

Contingent liabilities and capital commitment

As at 31 May 2015, the CinMedia Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 May 2015, the CinMedia Group did not pledge any of its assets.

Employees and emolument policy

As at 31 May 2015, the CinMedia Group had around 30 employees (31 December 2014: 31). The employee benefit expense (including directors' emoluments) incurred by the CinMedia Group was approximately HK$5.5 million for the five months ended 31 May 2015. The pay scale of the CinMedia Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the CinMedia Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 May 2015.

1. ACCOUNTANT'S REPORT ON THE EASKING GROUP

The following is the text of a report received from the Company's reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, which has been prepared for the purpose of incorporation in this circular.

BDO

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

5 August 2015

The Directors
Easking Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Easking Limited ("Easking") and its subsidiaries (together, the "Easking Group"), which comprises the consolidated statements of financial position of the Easking Group and the statements of financial position of Easking as at 31 December 2012, 2013, 2014 and 31 May 2015, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Easking Group for each of the three years ended 31 December 2012, 2013, 2014 and for the five months ended 31 May 2015 (the "Relevant Period") together with the explanatory notes thereto (the "Financial Information"). The Financial Information has been prepared by the directors of Easking for inclusion in Appendix IIB of the circular of Cinderella Media Group Limited (the "Company") dated 5 August 2015 (the "Circular").

Easking was incorporated in Hong Kong with limited liability on 15 September 2004. As at the date of this report, Easking has direct interests in the subsidiaries as set out in note 16 of Section II below. Easking and its subsidiaries are principally engaged in the provision of advertising services in Hong Kong and the People's Republic of China (the "PRC"). The statutory financial statements of Easking for the three years ended 31 December 2012, 2013 and 2014 were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Companies Ordinance and were audited by BDO Limited, certified public accountants registered in Hong Kong.

The statutory financial statements of the subsidiaries incorporated in the PRC were prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC and were audited by the following certified public accountants registered in the PRC:

Name of subsidiaries	Financial periods	Auditors
灝天廣告(上海)有限公司	From 7 February 2013 (date of establishment) to 31 December 2013	Shanghai Xiao Tian Cheng Certified Public Accountants Co., Ltd.
	Year ended 31 December 2014	
廣州天晉廣告有限公司	From 17 October 2013 (date of establishment) to 31 December 2013	Guangzhou Guangcheng Certified Public Accountants
	Year ended 31 December 2014	
北京天機躍動文化傳媒有限公司	Year ended 31 December 2014	Shanghai Xiao Tian Cheng Certified Public Accountants Co., Ltd.

No audited statutory financial statements of 北京天機躍動文化傳媒有限公司 for the period from 2 September 2013 (date of establishment) to 31 December 2013 has been prepared as there are no such statutory audit requirements under the relevant rules and regulations in the PRC.

No audited statutory financial statements of Easking and its subsidiaries for the five months ended 31 May 2015 have been prepared as there are no such statutory audit requirements under the relevant rules and regulations in Hong Kong and the PRC respectively.

The directors of Easking have prepared the consolidated financial statements of the Easking Group for the Relevant Period (the "Underlying Financial Statements") in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Underlying Financial Statements for the Relevant Period were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information has been prepared by the directors of Easking for inclusion in the Circular in connection with the disposal of the entire equity interests in Easking Group by the Company based on the Underlying Financial Statements with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of Easking are responsible for the contents of the Circular including the preparation and presentation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by HKICPA, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules, and for such internal control as the directors of Easking determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures and to report our opinion to you.

For the purpose of this report, we have carried out audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the Financial Information of the Easking Group and carried out appropriate procedures as we considered necessary in accordance the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. We have not audited any financial statements of Easking, its subsidiaries or the Easking Group in respect of any period subsequent to 31 May 2015.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Easking and of the Easking Group as at 31 December 2012, 2013, 2014 and 31 May 2015 and of the Easking Group's results and cash flows for the Relevant Period in accordance with HKFRSs.

EMPHASIS OF MATTER – MATERIAL UNCERTAINTY REGARDING THE GOING CONCERN ASSUMPTION

Without qualifying our opinion, we draw attention to note 2.1 to the Financial Information. The Easking Group suffered a loss of HK$24,628,000 for the five months ended 31 May 2015 and had net current liabilities and net liabilities of HK$40,680,000 and HK$42,556,000 as at 31 May 2015 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Easking Group's ability to continue as a going concern.

COMPARATIVE FINANCIAL INFORMATION

For the purpose of this report, we have also reviewed the unaudited comparative financial information of the Easking Group comprising the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended 31 May 2014, together with the notes thereto (the "Comparative Financial Information"), in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The directors of Easking are responsible for the preparation and presentation of the Comparative Financial Information in accordance with the same basis adopted in respect of the Financial Information.

Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

Based on our review, for the purpose of this report, nothing has come to our attention that causes us to believe that the Comparative Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION OF THE EASKING GROUP

The following is the Financial Information of the Easking Group as at 31 December 2012, 2013, 2014 and 31 May 2015 and for each of the Relevant Period prepared by the directors of Easking.

(A) Consolidated statements of profit or loss and other comprehensive income

		Year ended 31 December			Five months ended 31 May	
		2012	2013	2014	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Turnover	5	1,928	12,804	352,890	144,131	104,104
Direct operating costs		(1,093)	(12,584)	(348,319)	(141,050)	(115,438)
Gross profit/(loss)		835	220	4,571	3,081	(11,334)
Other revenue and net income	7	–	4	383	250	1,188
Selling and distribution costs		(373)	(434)	(4,647)	(1,482)	(2,979)
Administrative expenses		(319)	(476)	(4,110)	(517)	(1,724)
Other operating expenses		–	–	(1,969)	(667)	(6,726)
Profit/(Loss) before income tax	8	143	(686)	(5,772)	665	(21,575)
Income tax expense	11	(50)	(587)	(10,663)	(3,536)	(3,053)
Profit/(Loss) for the year/period attributable to owner of Easking	12	93	(1,273)	(16,435)	(2,871)	(24,628)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Exchange loss on translation of financial statements of foreign operations		–	(28)	(164)	(146)	–
Total comprehensive income for the year/period attributable to owner of Easking		93	(1,301)	(16,599)	(3,017)	(24,628)

(B) Consolidated statements of financial position

		At 31 December			At 31 May
		2012	**2013**	**2014**	**2015**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	15	–	3	249	287
Current assets					
Trade and other receivables and deposits	17	50	18,949	46,948	27,994
Amount due from intermediate holding company	18	616	–	–	–
Amounts due from fellow subsidiaries	18	–	661	39,429	–
Cash and cash equivalents	19	574	5,253	31,791	31,949
		1,240	24,863	118,168	59,943
Current liabilities					
Trade and other payables	20	136	4,187	51,058	67,686
Amounts due to intermediate holding company	18	–	2,681	17,615	–
Amounts due to immediate holding company	18	–	1,100	1,100	28,204
Amounts due to fellow subsidiaries	18	–	17,388	60,462	4,692
Provision for taxation		32	839	3,150	41
		168	26,195	133,385	100,623
Net current assets/(liabilities)		1,072	(1,332)	(15,217)	(40,680)
Total assets less current liabilities		1,072	(1,329)	(14,968)	(40,393)
Non-current liabilities					
Deferred tax liabilities	21	–	–	2,960	2,163
Net assets/(liabilities)		1,072	(1,329)	(17,928)	(42,556)
EQUITY					
Equity attributable to owner of Easking					
Share capital	22	–	–	–	–
Reserves	24	1,072	(1,329)	(17,928)	(42,556)
Total equity/(capital deficiency)		1,072	(1,329)	(17,928)	(42,556)

(C) Statements of financial position

		At 31 December			At 31 May
		2012	**2013**	**2014**	**2015**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Non-current assets					
Investments in subsidiaries	16	–	2,238	1,411	1,238
Current assets					
Trade and other receivables and deposits	17	50	39	205	221
Amounts due from intermediate holding company	18	616	–	–	–
Amounts due from subsidiaries	16	–	–	–	18,608
Amounts due from fellow subsidiaries	18	–	–	30,958	–
Cash and cash equivalents	19	574	1,892	1,850	501
		1,240	1,931	33,013	19,330
Current liabilities					
Other payables and accruals		136	243	228	150
Amounts due to intermediate holding company	18	–	2,681	17,615	–
Amounts due to immediate holding company	18	–	1,100	1,100	28,204
Amounts due to fellow subsidiaries	18	–	–	17,188	4,692
Provision for taxation		32	1	25	41
		168	4,025	36,156	33,087
Net current assets/(liabilities)		1,072	(2,094)	(3,143)	(13,757)
Total assets less current liabilities		1,072	144	(1,732)	(12,519)
Non-current liabilities					
Deferred tax liabilities	21	–	–	2,960	2,163
Net assets/(liabilities)		1,072	144	(4,692)	(14,682)
EQUITY					
Share capital	22	–	–	–	–
Reserves	24	1,072	144	(4,692)	(14,682)
Total equity/(capital deficiency)		1,072	144	(4,692)	(14,682)

(D) Consolidated statements of cash flows

	Year ended 31 December			Five months ended 31 May	
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from operating activities					
Profit/(Loss) before income tax	143	(686)	(5,772)	665	(21,575)
Adjustments for:					
Depreciation	–	1	93	8	70
Interest income	–	(4)	(24)	(4)	(23)
Impairment loss on trade receivables written back	–	–	–	–	(956)
Impairment loss on trade receivables	–	–	1,969	667	6,726
Operating profit/(loss) before working capital changes	143	(689)	(3,734)	1,336	(15,758)
(Increase)/Decrease in trade and other receivables and deposits	(6)	(18,861)	(30,154)	(49,900)	13,184
(Decrease)/Increase in trade and other payables	(50)	4,051	46,871	27,112	16,628
Cash generated from/(used in) operations	87	(15,499)	12,983	(21,452)	14,054
Income tax refunded/(paid)	11	154	(5,370)	(1,680)	(6,959)
Net cash generated from/(used in) operating activities	98	(15,345)	7,613	(23,132)	7,095
Cash flows from investing activities					
Purchases of property, plant and equipment	–	(4)	(339)	(187)	(108)
(Increase)/Decrease in amounts due from intermediate holding company	(616)	616	–	–	–
Decrease/(Increase) in amounts due from fellow subsidiaries	14	(661)	(38,768)	(1,612)	39,429
Interest received	–	4	24	4	23
Net cash (used in)/generated from investing activities	(602)	(45)	(39,083)	(1,795)	39,344

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash flows from financing activities					
Increase/(Decrease) in amounts due to intermediate holding company	–	2,681	14,934	(1,000)	(17,615)
Increase in amounts due to immediate holding company	–	–	–	–	27,104
Increase/(Decrease) in amounts due to fellow subsidiaries	–	17,388	43,074	24,307	(55,770)
Net cash generated from/(used in) financing activities	–	20,069	58,008	23,307	(46,281)
Net (decrease)/increase in cash and cash equivalents	(504)	4,679	26,538	(1,620)	158
Cash and cash equivalents at beginning of year/period	1,078	574	5,253	5,253	31,791
Cash and cash equivalents at end of year/period	574	5,253	31,791	3,633	31,949

Major non-cash transactions

During the year ended 31 December 2013, Easking paid interim dividend of HK$1,100,000 through the current account with immediate holding company.

(E) Consolidated statements of changes in equity

	Attributable to the owner of Easking			
	Share capital	Exchange reserve	Retained earnings/ (Accumulated losses)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2012	–	–	979	979
Total comprehensive income for the year	–	–	93	93
At 31 December 2012 and 1 January 2013	–	–	1,072	1,072
Total comprehensive income for the year	–	(28)	(1,273)	(1,301)
Dividends paid *(note 13)*	–	–	(1,100)	(1,100)
At 31 December 2013 and 1 January 2014	–	(28)	(1,301)	(1,329)
Total comprehensive income for the year	–	(164)	(16,435)	(16,599)
At 31 December 2014 and 1 January 2015	–	(192)	(17,736)	(17,928)
Total comprehensive income for the period	–	–	(24,628)	(24,628)
At 31 May 2015	–	(192)	(42,364)	(42,556)
For the five months ended 31 May 2014 (unaudited)				
At 1 January 2014	–	(28)	(1,301)	(1,329)
Total comprehensive income for the period	–	(146)	(2,871)	(3,017)
At 31 May 2014	–	(174)	(4,172)	(4,346)

II. NOTES TO THE FINANCIAL INFORMATION AND COMPARATIVE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Easking was incorporated in Hong Kong with limited liability on 15 September 2004. Its registered office and principal place of business are located at 26th Floor, 625 King's Road, North Point, Hong Kong.

The principal activities of Easking and its subsidiaries are the provision of advertising services in Hong Kong and the PRC. Easking and its subsidiaries are collectively referred to as the "Easking Group" hereafter.

The directors consider Easking's ultimate holding company, intermediate holding company and immediate holding company to be ER2 Holdings Limited, which is a private company incorporated in Hong Kong, Cinderella Media Group Limited ("Cinderella Media"), which is a limited company registered in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited and Recruit (BVI) Limited, which is a private company incorporated in the British Virgin Islands respectively.

The Financial Information is presented in Hong Kong dollar ("HK$") which is also the functional currency of Easking and all values are rounded to the nearest thousands ("HK$'000") unless otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Information and the Comparative Financial Information have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing and presenting the Financial Information and the Comparative Financial Information, the Easking Group has consistently applied HKFRSs which are effective for the accounting periods commencing on or after 1 January 2015. The significant accounting policies that have been used in the preparation of the Financial Information and the Comparative Financial Information are summarised below. These policies have been consistently applied to the years/periods presented unless otherwise stated.

The Financial Information and the Comparative Financial Information have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the Financial Information and the Comparative Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information and the Comparative Financial Information, are disclosed in note 4.

The Easking Group suffered a loss of HK$24,628,000 for the five months ended 31 May 2015 and had net current liabilities and net liabilities of HK$40,680,000 and HK$42,556,000 as at 31 May 2015 respectively. These conditions indicate the existence of a material uncertainty which casts significant doubt on the Easking Group's ability to continue as a going concern and therefore, the Easking Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business. Notwithstanding this, the going concern basis has been adopted for the preparation of the Financial Information on the basis that Easking's ultimate holding company has undertaken to provide continuing financial support to Easking. Accordingly, the directors of Easking are of the opinion that it is appropriate to prepare the Financial Information of the Easking Group on a going concern.

Should the Easking Group be unable to continue in business as a going concern, adjustments would have to be made to reduce the values of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively and to provide for any further liabilities which might arise. These adjustments have not yet been reflected in the Financial Information.

2.2 Basis of consolidation

The Financial Information and the Comparative Financial Information comprise the financial statements of Easking and its subsidiaries (see note 2.3). Transactions and balances between group companies are eliminated in preparing the Financial Information and the Comparative Financial Information. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the Relevant Period are included in the Financial Information and the Comparative Financial Information from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Easking Group.

When the Easking Group loses control of a subsidiary, profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

2.3 Subsidiaries

A subsidiary is an investee over which the Easking Group is able to exercise control. The Easking Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the statements of financial position of Easking, subsidiaries are carried at cost less any impairment loss, if any. The results of the subsidiaries are accounted for by Easking on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in profit or loss of Easking.

2.4 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entities using the exchange rates prevailing at the dates of the transactions. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Easking Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

2.5 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation on property, plant and equipment is provided to write off their costs over their estimated useful lives, using straight-line method, at the following rates per annum:

Furniture and fixtures	20%
Leasehold improvements	20% – 50% or over the lease term, whichever is shorter
Computer equipment and system	33%

The asset's depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Easking Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss of the financial period in which they are incurred.

2.6 Financial assets

The Easking Group's accounting policies for financial assets other than investments in subsidiaries are set out below. The Easking Group's financial assets are classified into loans and receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Easking Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value.

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

Impairment of financial assets

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Easking Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as default or delinquency in interest or principal payments;
- granting concession to a debtor because of the debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtors.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group. If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the financial period in which the impairment occurs.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the financial period in which the reversal occurs.

For financial assets other than financial assets at fair value through profit or loss and loans and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, impairment losses for doubtful receivables are recorded using an allowance account. When the Easking Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.7 Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash in hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, less bank overdrafts which are payable on demand and form an integral part of the Easking Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash in hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.8 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Easking Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Classification of assets leased to the Easking Group

Assets that are held by the Easking Group under leases which transfer to the Easking Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Easking Group are classified as operating leases.

Operating lease charges as the lessee

Where the Easking Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.9 Financial liabilities

The Easking Group's financial liabilities included trade and other payables, amounts due to intermediate holding company, immediate holding company and fellow subsidiaries. These are initially recognised at their fair value and subsequently measured at amortised cost, using effective interest method.

Financial liabilities are recognised when, and only when the Easking Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Easking Group's accounting policy for borrowing costs.

A financial liability is de-recognised when, and only when the obligation under the financial liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2.10 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the possibility of outflow of economic benefits is remote.

2.11 Equity instruments

Equity instruments issued by Easking are recorded at the proceeds received, net of direct issue costs.

The Hong Kong Companies Ordinance, Cap.622 (the "Ordinance") came into operation on 3 March 2014. Under the Ordinance, shares of Easking do not have nominal value. Considerations received or receivable on the issue of shares on or after 3 March 2014 are credited to share capital. Commissions and expenses as allowed under section 148 and section 149 of the Ordinance are deducted from share capital.

2.12 Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for the rendering of services, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Easking Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

(i) Advertising income is recognised on the date of the relevant publication issue.

(ii) Interest income is recognised on time-proportion basis using effective interest method.

2.13 Impairment of non-financial assets

Property, plant and equipment and Easking's investments in subsidiaries are subject to impairment testing.

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually. All other assets are tested for impairment whenever there are indications that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU"). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Impairment loss is charged pro-rata to the assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value-in-use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount of the asset or the CGU and only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Employee benefits

Retirement benefits

The Easking Group participates in several staff retirement benefit schemes for employees in Hong Kong, the PRC, except Hong Kong, comprising defined contribution retirement schemes and a Mandatory Provident Fund Scheme. The assets of these schemes are held separately from those of the Easking Group in independently administered funds. The retirement benefit schemes are generally funded by payments from employees and by the relevant group companies. The retirement benefit scheme costs charged to profit or loss represents contributions payable by the Easking Group to the schemes.

The subsidiaries operating in the PRC are required to participate in the defined contribution retirement schemes for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement benefit schemes at a specified percentage of employees' relevant income and there are no other further obligations to the Easking Group.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.15 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, taxation authorities relating to the current or prior reporting period, that are unpaid at the reporting date. These are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised a component of tax expense in profit or loss.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, except where the Easking Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply to the period when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Current tax and changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

Current tax assets and current tax liabilities are presented in net if, and only if: (a) the Easking Group has a legally enforceable right to set off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Easking Group presents deferred tax assets and deferred tax liabilities in net if, and only if: (a) the Easking Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.16 Segment reporting

The Easking Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the directors for their decisions about resources allocation to the Easking Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the directors are determined following the Easking Group's major service line.

The Easking Group has identified one reportable segment, which is the provision of advertising services. No segment information is presented other than the analysis of sales and non-current assets by geographical location.

The measurement policies the Easking Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities.

No asymmetrical allocations have been applied to reportable segments.

2.17 Related parties

(i) A person or a close member of that person's family is related to the Easking Group if that person:

(a) has control or joint control over the Easking Group;
(b) has significant influence over the Easking Group; or
(c) is a member of the key management personnel of the Easking Group or of the Easking Group's parent.

(ii) An entity is related to the Easking Group if:

(a) the entity and the Easking Group are members of the same group.
(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(c) both entities are joint venture of the same third party.
(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(e) the entity is a post-employment benefit plan for the benefit of employees of either the Easking Group or an entity related to the Easking Group.
(f) the entity is controlled or jointly controlled by a person identified in (i).
(g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependants of that person or that person's spouse or domestic partner.

3. ADOPTION OF NEW OR AMENDED HKFRSs

Information on new or amended HKFRSs that have not been adopted early by the Easking Group but expected to have impact on the Easking Group's accounting policies/disclosures in Easking Group's financial statements is provided below. The directors of Easking anticipate that all of the pronouncements will be adopted in the accounting policies of the Easking Group for the first period beginning after the effective date of the pronouncement.

Amendment to HKAS 1 – Disclosure Initiative

The standard is effective for accounting periods beginning on or after 1 January 2016. The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should se professional judgement in determining where and in what order information is presented in the financial disclosures.

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 Contract 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the Financial Information requires management to make judgement, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of receivables and advances

The policy for impairment of receivables and advances of the Easking Group is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding balances, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Easking Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

(ii) Current taxation and deferred taxation

The Easking Group is subject to income taxes in Hong Kong and the PRC. Significant judgement is required in determining the amount of the provision of taxation and the timing of the related tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final outcome of the tax matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. TURNOVER

Turnover represents the revenue from the advertising income earned by the Easking Group during the Relevant Period.

6. SEGMENT INFORMATION

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

The Easking Group's revenue from external customers are divided into the following geographical areas:

	Year ended 31 December			**Five months ended 31 May**	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
PRC	–	10,661	350,864	143,338	103,259
Hong Kong (domicile)	1,928	2,143	2,026	793	845
	1,928	12,804	352,890	144,131	104,104

All of the Easking Group's non-current assets are located in the PRC.

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

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

	At 31 December			**At 31 May**
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	1,240	24,866	118,417	60,230
Group assets	1,240	24,866	118,417	60,230
Reportable segment liabilities	168	26,195	133,385	100,623
Deferred tax liabilities	–	–	2,960	2,163
Group liabilities	168	26,195	136,345	102,786

During the year ended 31 December 2012, approximately 10% of the Easking Group's turnover was derived from 1 major customer. Turnover generated from this customer is HK$198,000.

During the year ended 31 December 2013, approximately 39% of the Easking Group's turnover was derived from 3 major customers. Turnover generated from these 3 major customers are HK$2,037,000, HK$1,603,000 and HK$1,380,000.

During the year ended 31 December 2014, approximately 62% of the Easking Group's turnover was derived from 2 major customers. Turnover generated from these 2 major customers are HK$111,359,000 and HK$108,886,000.

During the five months ended 31 May 2015, approximately 55% (five months ended 31 May 2014: 68%) of the Easking Group's turnover was derived from 2 major customers. Turnover generated from these 2 major customers are HK$29,913,000 and HK$27,822,000 (five months ended 31 May 2014: HK$49,519,000 and HK$48,309,000).

7. OTHER REVENUE AND NET INCOME

		Year ended 31 December		**Five months ended 31 May**	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Interest income	–	4	24	4	23
Impairment on trade receivables written back	–	–	–	–	956
Exchange gain, net	–	–	355	246	3
Sundry income	–	–	4	–	206
	–	4	383	250	1,188

8. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging:

		Year ended 31 December		**Five months ended 31 May**	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Auditor's remuneration	10	18	138	58	47
Depreciation of property, plant and equipment, included in administrative expense	–	1	93	8	70
Employee benefit expense *(note 10)*	234	331	4,391	1,383	2,879
Impairment of trade receivables*	–	–	1,969	667	6,726
Operating lease charges in respect of office premise	–	22	727	82	452

* Included as other operating expenses in the consolidated statement of profit or loss and other income comprehensive.

9. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

9.1 Directors' emoluments

There are no directors' emoluments paid by the Easking Group during the Relevant Period.

9.2 Five highest paid individuals

Emoluments payable to the five individuals whose emoluments were the highest in the Easking Group for the Relevant Period are as follows:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Salaries, allowances, discretionary bonuses and other benefits	231	298	1,500	368	494
Retirement benefit scheme contributions	–	9	215	86	145
	231	307	1,715	454	639

The emoluments fell within the following bands;

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Nil to HK$1,000,000	2	5	4	5	5
HK$1,000,001 to 2,000,000	–	–	1	–	–

During the Relevant Period, no emoluments were paid by the Easking Group to any of the five highest paid individuals as an inducement to join or upon joining the Easking Group or as compensation for loss of office.

9.3 Senior management emolument band

There is no remuneration paid to the senior management for the Relevant Period.

10. EMPLOYEE BENEFIT EXPENSE (including directors' emoluments)

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Wage, salaries and other benefits	234	331	3,922	1,263	2,290
Retirement benefit scheme contributions	–	–	469	120	589
	234	331	4,391	1,383	2,879

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the Relevant Period. Taxation on overseas profits has been calculated on the estimated assessable profits for the Relevant Period at the rates of taxation prevailing in the PRC in which the Easking Group operates.

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Hong Kong profits tax					
Current year/period	23	24	49	18	15
Over/(Under) provision in prior years	27	(49)	(10)	–	1
	50	(25)	39	18	16
Overseas tax					
Current year/period	–	612	7,664	2,468	1,378
Under provision in prior years	–	–	–	–	2,456
	–	612	7,664	2,468	3,834
Deferred tax *(note 21)*					
Current year	–	–	2,960	1,050	(797)
	50	587	10,663	3,536	3,053

Reconciliation between income tax expense and accounting profits/(loss) at applicable tax rates for each of the Relevant Period is as follows:

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Profit/(Loss) before income tax	143	(686)	(5,772)	665	(21,575)
Notional tax calculated at the rates applicable to the profits/(loss) in the tax jurisdictions concerned	23	(184)	(1,462)	161	(5,402)
Tax effect of non-deductible expenses	–	820	9,175	2,325	6,794
Over/(Under) provision in prior years	27	(49)	(10)	–	2,458
Withholding tax on undistributed earnings of PRC subsidiaries	–	–	2,960	1,050	(797)
Income tax expense	50	587	10,663	3,536	3,053

12. PROFIT ATTRIBUTABLE TO OWNER OF EASKING

The consolidated profit attributable to owner of Easking for the years ended 31 December 2012, 2013 and 2014 and for the five months period ended 31 May 2014 and 2015 includes the profit of HK$93,000, profit of HK$172,000, loss of HK$2,770,000, loss of HK$1,008,000 (unaudited) and profit of HK$872,000, respectively, which have been dealt with in the financial statements of Easking.

13. DIVIDENDS

Easking

	Year ended 31 December			Five months ended 31 May	
	2012	**2013**	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Interim dividend	–	1,100	–	–	–

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNER OF EASKING

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

15. PROPERTY, PLANT AND EQUIPMENT

The Easking Group	Furniture and fixtures HK$'000	Leasehold improvements HK$'000	Computer equipment and system HK$'000	Total HK$'000
Year ended 31 December 2013				
Additions	–	–	4	4
Depreciation	–	–	(1)	(1)
Closing net carrying amount	–	–	3	3
At 31 December 2013 and 1 January 2014				
Cost	–	–	4	4
Accumulated depreciation	–	–	(1)	(1)
Net carrying amount	–	–	3	3
Year ended 31 December 2014				
Opening net carrying amount	–	–	3	3
Additions	50	289	–	339
Depreciation	(8)	(84)	(1)	(93)
Closing net carrying amount	42	205	2	249
At 31 December 2014 and 1 January 2015				
Cost	50	289	4	343
Accumulated depreciation	(8)	(84)	(2)	(94)
Net carrying amount	42	205	2	249
Five months ended 31 May 2015				
Opening net carrying amount	42	205	2	249
Additions	75	33	–	108
Depreciation	(8)	(62)	–	(70)
Closing net carrying amount	109	176	2	287
At 31 May 2015				
Cost	125	322	4	451
Accumulated depreciation	(16)	(146)	(2)	(164)
Net carrying amount	109	176	2	287

16. INVESTMENTS IN SUBSIDIARIES

Easking

	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted equity, at cost	–	2,238	3,477	3,477
Less: Impairment loss	–	–	(2,066)	(2,239)
Unlisted equity, at cost	–	2,238	1,411	1,238
Amounts due from subsidiaries	–	–	–	29,297
Less: Impairment loss	–	–	–	(10,689)
	–	–	–	18,608

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

As at the date of this report, particulars of the subsidiaries held by Easking are set out as follows:

Company name	Date and place of establishment and type of legal entity	Particulars of registered capital	Effective interest held by Easking	Principal activities and place of operation
灝天廣告(上海)有限公司	Established in the PRC on 7 February 2013, limited liability company	US Dollar ("US$") 160,000	100%	Provision of advertising services, the PRC
廣州天晉廣告有限公司	Established in the PRC on 17 October 2013, limited liability company	HK$1,000,000	100%	Provision of advertising services, the PRC
北京天機躍動文化傳媒有限公司	Established in the PRC on 2 September 2013, limited liability company	US$160,000	100%	Provision of advertising services, the PRC

17. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Easking Group

	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	50	2,516	23,099	23,384
Less: Provision for impairment	–	–	(1,956)	(7,726)
	50	2,516	21,143	15,658
Other receivables and deposits	–	16,433	25,805	12,336
	50	18,949	46,948	27,994

Movement in the provision for impairment loss on trade receivables is as follows:

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	–	–	–	1,956
Impairment loss recognised	–	–	1,969	6,726
Impairment loss recovered	–	–	–	(956)
Exchange differences	–	–	(13)	–
Balance at end of the year/period	–	–	1,956	7,726

The Easking Group recognised provision for impairment of trade receivables based on the accounting policy stated in note 2.6.

All trade receivables are subject to credit risk exposure. At each of the reporting dates, the Easking Group reviews receivables for evidence of impairment on both an individual and collective basis. The impaired trade receivables are due from customers experiencing financial difficulties.

Easking

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	50	39	38	75
Other receivables and deposits	–	–	167	146
	50	39	205	221

Ageing analysis of trade receivables, net of provision as at each reporting date, based on invoice date, is as follows:

The Easking Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	35	936	6,160	3,048
31 – 60 days	15	404	4,177	3,144
61 – 90 days	–	–	–	–
91 – 120 days	–	791	2,170	4,847
121 – 150 days	–	–	3,298	1,718
Over 150 days	–	385	5,338	2,901
Total trade receivables	50	2,516	21,143	15,658

Easking

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	35	36	37	63
31 – 60 days	15	3	1	12
Total trade receivables	50	39	38	75

The Easking Group allows a credit period from 0 to 90 days to its customers.

The directors consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

At each reporting date, the Easking Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables past due but not impaired is as follows:

The Easking Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	13	1,490	8,924	7,360
1 – 30 days past due	26	240	2,289	3,332
31 – 90 days past due	11	786	5,845	2,064
Over 90 days past due but less than one year	–	–	4,085	2,902
	37	1,026	12,219	8,298
Total trade receivables	50	2,516	21,143	15,658

Easking

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	13	7	16	15
1 – 30 days past due	26	32	21	48
31 – 90 days past due	11	–	1	12
	37	32	22	60
Total trade receivables	50	39	38	75

Trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Easking Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Easking Group did not hold any collateral in respect of these balances.

Other receivables and deposits as at 31 December 2013, 2014 and 31 May 2015 included prepayments and deposits paid to airlines of HK$16,421,000, HK$19,134,000 and HK$11,500,000 respectively in accordance with the relevant agreements of the inflight business.

18. AMOUNTS DUE FROM/(TO) INTERMEDIATE HOLDING COMPANY, IMMEDIATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

Amounts due are unsecured, interest-free and repayable on demand.

19. CASH AND CASH EQUIVALENTS

The Easking Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank and cash balances	574	5,253	31,791	31,949

Easking

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank and cash balances	574	1,892	1,850	501

As at 31 December 2012, 2013, 2014 and 31 May 2015, included in bank and cash balances of the Easking Group is balances of Nil, HK$1,510,000, HK$28,604,000 and HK$30,494,000 denominated in Renminbi ("RMB") placed with the banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Easking Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

20. TRADE AND OTHER PAYABLES

The Easking Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables	–	–	34,026	51,882
Other payables and accruals	136	4,187	17,032	15,804
	136	4,187	51,058	67,686

Ageing analysis of trade payables based on invoice date is as follows:

	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 – 30 days	–	–	6,112	21,691
31 – 60 days	–	–	5,327	6,299
61 – 90 days	–	–	4,486	5,843
91 – 120 days	–	–	6,264	11,044
Over 120 days	–	–	11,837	7,005
Total trade payables	–	–	34,026	51,882

Credit terms granted by suppliers are 30 to 90 days save for the net balance payable to a major business partner of the Easking Group which is settled on a half-yearly basis according to the terms of an agreement signed with this business partner.

All amounts are short-term and hence the carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

21. DEFERRED TAX

Deferred taxation is calculated on temporary differences under liability method using the rates of taxation prevailing in the PRC in which the Easking Group operates.

Movements of deferred tax liabilities recognised in the statement of financial position during the Relevant Period are as follows:

	Temporary difference on withholding tax on undistributed profits of PRC subsidiaries			
	At 31 December			At 31 May
	2012	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	–	–	–	2,960
Charged/(Credited) to profit or loss	–	–	2,960	(797)
Balance at end of the year/period	–	–	2,960	2,163

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investment enterprises established in the PRC. Effective from 1 January 2008, a lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The applicable rate to the Easking Group is 10%. The Easking Group is liable to withholding taxes on dividends distributed by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008.

No deferred tax has been provided in the financial statements of Easking as there are no temporary differences.

22. SHARE CAPITAL

Easking was incorporated in Hong Kong on 15 September 2004 with authorised capital of HK$10,000 divided into 10,000 ordinary shares of HK$1 each. 1 ordinary share of Easking of HK$1 was issued and fully paid up at par upon incorporation.

Under section 135 of the Ordinance, which came into effect on 3 March 2014, shares in a company do not have nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to Easking.

23. SHARE-BASED EMPLOYEE COMPENSATION

The share option scheme of Cinderella Media Group Limited ("Cinderella Media") (the "Share Option Scheme") was adopted pursuant to a resolution passed on 13 July 2007 and will expire on 12 July 2017. The purpose of the Share Option Scheme is to reward participants who have contributed to the group of Cinderella Media and to encourage participants to work towards enhancing the value of Cinderella Media and its shares for the benefit of Cinderella Media and its shareholders as a whole. The board of directors of Cinderella Media may, at its discretion, offer to directors, employees of any member of the group of Cinderella Media, any advisors and service providers of any member of the group of Cinderella Media, options to subscribe for shares in Cinderella Media at a price not less than the highest of: (i) the closing price of the shares of Cinderella Media on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the option; (ii) the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of the grant of the options; and (iii) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option irrespective of numbers of share options granted.

The share-based employee compensation was settled by the issue of Cinderella Media's ordinary shares. The Easking Group had no legal or constructive obligation to repurchase or settle the options.

Details of the share options granted under the Share Option Scheme are as follows:

Date of grant	Number of options granted	Vesting period	Exercisable period	Exercise price per share *HK$*
18/08/2008	5,700,000	18/08/2008 to 17/08/2009	18/08/2009 to 17/08/2013	0.93
18/08/2008	5,700,000	18/08/2008 to 17/08/2010	18/08/2010 to 17/08/2013	0.93
29/10/2009	300,000	29/10/2009 to 28/04/2010	29/04/2010 to 28/10/2014	0.902
29/10/2009	300,000	29/10/2009 to 28/10/2011	29/10/2011 to 28/10/2014	0.902
11/06/2010	2,190,000	11/06/2010 to 10/06/2011	11/06/2011 to 10/06/2015	1.600
11/06/2010	2,190,000	11/06/2010 to 10/06/2012	11/06/2012 to 10/06/2015	1.600
26/06/2010	4,860,000	23/06/2010 to 22/06/2011	23/06/2011 to 22/06/2015	1.636
26/06/2010	4,860,000	23/06/2010 to 22/06/2012	23/06/2012 to 22/06/2015	1.636
16/12/2011	250,000	16/12/2011 to 15/12/2012	16/12/2012 to 15/12/2016	2.000
16/12/2011	250,000	16/12/2011 to 15/12/2013	16/12/2013 to 15/12/2016	2.000

Details of movements of the share options under Share Option Scheme held by directors of Easking and employees of the Easking Group for the Relevant Period are as follows:

	Number of share options		
Grantees	**Outstanding at 1 January 2012**	**Exercised during the year**	**Outstanding at 31 December 2012**
Lam Mei Lan *	2,400,000	(2,400,000)	–

* Ms. Lam Mei Lan was granted these options in her capacity as a director of Cinderella Media.

24. RESERVES

The Easking Group

Movements in the reserves of the Easking Group during the Relevant Period are set out in the consolidated statements of changes in equity on page IIB-10.

Easking

	Retained earnings/(Accumulated losses)			
	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at beginning of the year/period	979	1,072	144	(4,692)
Total comprehensive income for the year/period	93	172	(4,836)	(9,990)
Dividend paid *(note 13)*	–	(1,100)	–	–
Balance at end of the year/period	1,072	144	(4,692)	(14,682)

25. OPERATING LEASE COMMITMENTS

The Easking Group

At each of the reporting date, the total future minimum lease payments of the Easking Group under non-cancellable operating leases in respect of office premises are payable as follows:

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	–	18	1,244	1,244
In the second to fifth year inclusive	–	–	785	267
	–	18	2,029	1,511

The Easking Group leases a number of properties under operating leases. The leases run for an initial period from 1 to 3 years. None of the leases include contingent rentals.

Easking

At each of the reporting date, the total future minimum lease payments of Easking under non-cancellable operating leases in respect of office premises are payable as follows:

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	–	–	250	250
In the second to fifth years inclusive	–	–	238	134
	–	–	488	384

Easking leases a property under operating leases. The leases run for an initial period of 2 years. None of the lease includes contingent rentals.

26. CAPITAL COMMITMENTS

At each reporting date, the Easking Group did not have any significant capital commitments.

27. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the Financial Information, the Easking Group and Easking had the following significant transactions with related parties during the Relevant Period:

The Easking Group

Name of transactions	Nature of related party	Year ended 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2014	Five months ended 31 May 2014	Five months ended 31 May 2015
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Administrative expenses	Recruit Information Technology Limited ("RIT")*	–	20	120	50	50
	Recruit & Co. Ltd.*	120	100	–	–	–
Computer service fee	RIT*	96	120	120	50	50

* Fellow subsidiaries of Easking

Terms of the related party transactions carried out during the Relevant Period were mutually agreed between the Easking Group/Easking and its related parties.

Compensation of key management personnel

Details of the remuneration paid to key management personnel are set out in note 9.3 to the Financial Information.

28. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount and fair value of financial assets and liabilities:

The Easking Group

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables:				
Trade and other receivables	50	2,516	25,322	16,077
Amounts due from intermediate holding company	616	–	–	–
Amounts due from fellow subsidiaries	–	661	39,429	–
Cash and cash equivalents	574	5,253	31,791	31,949
	1,240	8,430	96,542	48,026
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables	136	4,187	51,058	67,686
Amounts due to intermediate holding company	–	2,681	17,615	–
Amounts due to immediate holding company	–	1,100	1,100	28,204
Amounts due to fellow subsidiaries	–	17,388	60,462	4,692
	136	25,356	130,235	100,582

Easking

	At 31 December			At 31 May
	2012	**2013**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables:				
Trade and other receivables	50	39	205	221
Amounts due from intermediate holding company	616	–	–	–
Amounts due from subsidiaries	–	–	–	18,608
Amounts due from fellow subsidiaries	–	–	30,958	–
Cash and cash equivalents	574	1,892	1,850	501
	1,240	1,931	33,013	19,330
Financial liabilities				
Financial liabilities measured at amortised cost:				
Other payables and accruals	136	243	228	150
Amounts due to intermediate holding companies	–	2,681	17,615	–
Amounts due to immediate holding company	–	1,100	1,100	28,204
Amounts due to fellow subsidiaries	–	–	17,188	4,692
	136	4,024	36,131	33,046

29. FINANCIAL RISK MANAGEMENT

The Easking Group's activities expose it to a variety of financial instrument risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Easking Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Easking Group's financial performance by closely monitoring the individual exposure.

The Easking Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the Easking Group's exposure to a variety of risks which resulted from its operating and investing activities. Generally, the Easking Group adopts conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out as follows:

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Easking Group. The Easking Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Easking Group's financial assets are summarised in note 28 above.

The directors of Easking consider the Easking Group does not have a significant concentration of credit risk except those major customers as disclosed in note 6. In this regard, the Easking Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

The Easking Group also continuously evaluates the credit risk of its customers to ensure appropriateness of the amount of credit granted. Credit terms are extended to customers based on the evaluation of individual customer's financial conditions. In addition, the Easking Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Easking Group for a number of years and are considered to be effective in limiting the Easking Group's exposure to credit risk to a desirable level. Further quantitative disclosures in respect of the Easking Group's exposure to credit risk arising from trade receivables are set out in note 17 to the financial statements.

The Easking Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the Easking Group's bank deposits are deposited with major reputable banks and financial institutions located in Hong Kong and the PRC.

(b) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Easking Group does not have material exposure to currency risk as most of the Easking Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The Easking Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. The directors are of the opinion that the Easking Group's sensitivity to the change in foreign currency exchange rates is low. Easking is not exposed to any foreign currency risk.

(c) Interest rate risk

The Easking Group does not have material exposure to interest rate risk, as the Easking Group has no financial assets and liabilities of material amounts with floating interest rates except for deposits held in banks. Cash at bank earns interest at floating rates based on the daily bank deposit rates during the Relevant Period. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Easking Group.

During the Relevant Period, management did not consider it necessary to use interest rate swaps to hedge their exposure to interest rate risk as the interest rate risk exposure is not significant.

(d) Liquidity risk

The Easking Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term. As at 31 December 2012, 2013, 2014 and 31 May 2015, the Easking Group had net current assets of HK$1,072,000, net current liabilities of HK$1,332,000, net current liabilities of HK$15,217,000 and net current liabilities of HK$40,680,000 respectively and net assets of HK$1,072,000, net liabilities of HK$1,329,000, net liabilities of HK$17,928,000 and net liabilities of HK$42,556,000 respectively. The Easking Group maintains its liquidity requirements by obtaining continuing financial support from its ultimate holding company. In the opinion of the directors, the Easking Group's exposure to liquidity risk is limited.

As at each reporting date, financial liabilities of the Easking Group and Easking, based on the contracted undiscounted payments, matured either within three months or on demand.

(e) Fair values

The directors of Easking consider the fair values of the Easking Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments.

30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Easking Group's objectives when managing capital are (1) to safeguard the Easking Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders; (2) to support the Easking Group's stability and growth; and (3) to provide capital for the purpose of strengthening the Easking Group's risk management capability.

The Easking Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Easking Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Easking Group has not adopted any formal dividend policy.

Management regards total equity as capital, for capital management purpose.

III. EVENT AFTER THE REPORTING DATE

On 8 June 2015, the Easking Group received a written confirmation from China Southern Air Media Co., Ltd. ("CSA Media") that the exclusive advertising agreement for the inflight magazines namely "Gateway" and "Nihao" published by CSA Media will not be renewed after the expiry of the existing exclusive advertising agreement on 31 December 2015.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Easking Group, Easking or any of its subsidiaries in respect of any period subsequent to 31 May 2015.

BDO Limited
Certified Public Accountants
Li Pak Ki
Practising Certificate Number: P01330

Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE EASKING GROUP

Set out below is the management discussion and analysis on the Easking Group for each of the three years ended 31 December 2012, 2013 and 2014, and five months ended 31 May 2015.

(i) For the year ended 31 December 2012

Business review

The Easking Group recorded turnover of approximately HK$1.9 million and gross profit of approximately HK$0.8 million for the year ended 31 December 2012. A net profit of approximately HK$0.09 million was recorded for the year ended 31 December 2012. During 2012, the Easking Group was agent of one publication and its customers are mainly based in Hong Kong.

Liquidity and financial resources

The Easking Group generally finances its operations with internally generated cashflow. The amounts due from Easking's intermediate holding company are unsecured, interest-free and repayment on demand. The Easking Group adopts centralised financing and treasury policies in order to ensure the Easking Group's funding is utilised efficiently. As at 31 December 2012, the Easking Group had net current assets of approximately HK$1.1 million. The Easking Group's current ratio as at 31 December 2012, which is defined as current assets over current liabilities, was 7.4. The Easking Group had total cash and bank deposits of approximately HK$0.6 million as at 31 December 2012. The Easking Group had no borrowings or committed borrowing facilities as at 31 December 2012 and its gearing ratio as at 31 December 2012 was therefore nil.

Exchange rate exposure

The Easking Group does not have material exposure to currency risk as most of the Easking Group's transactions are carried out in HK$, which is the functional currency of the corresponding group entities. The Easking Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2012, the Easking Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The Easking Group did not have any significant investments, material acquisitions or disposals during the year ended 31 December 2012.

Contingent liabilities and capital commitment

As at 31 December 2012, the Easking Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2012, the Easking Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2012, the Easking Group had around 2 employees. The employee benefit expense (including directors' emoluments) incurred by the Easking Group was approximately HK$0.2 million for the year ended 31 December 2012. The pay scale of the Easking Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Easking Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2012.

(ii) For the year ended 31 December 2013

Business review

The Easking Group recorded turnover of approximately HK$12.8 million (2012: HK$1.9 million) and gross profit of approximately HK$0.2 million (2012: HK$0.8 million) for the year ended 31 December 2013. A net loss of approximately HK$1.3 million (2012: profit of HK$0.09 million) was recorded for the year ended 31 December 2013 as a result of incorporation of the PRC subsidiaries. The Easking Group incorporated two subsidiaries in the PRC and started taking up the inflight magazines advertising business from the CinMedia Group in the PRC in late 2013.

Liquidity and financial resources

The Easking Group generally finances its operations with internally generated cashflow and financial support from its holding companies and fellow subsidiaries. The amounts due from Easking's fellow subsidiaries and due to Easking's intermediate holding company, immediate holding company and fellow subsidiaries are unsecured, interest-free and repayment on demand. The Easking Group adopts centralised financing and treasury policies in order to ensure the Easking Group's funding is utilised efficiently. As at 31 December 2013, the Easking Group had net current liabilities of approximately HK$1.3 million (2012: net current assets of HK$1.1 million). The Easking Group's current ratio as at 31

December 2013, which is defined as current assets over current liabilities, was 0.9 (2012: 7.4). The Easking Group had total cash and bank deposits of approximately HK$5.3 million as at 31 December 2013 (2012: HK$0.6 million). The Easking Group had no borrowings or committed borrowing facilities as at 31 December 2013 and its gearing ratio as at 31 December 2013 was therefore nil (2012: nil).

Exchange rate exposure

The Easking Group does not have material exposure to currency risk as most of the Easking Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The Easking Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2013, the Easking Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The Easking Group incorporated three wholly-owned subsidiaries in the PRC, namely 灝天廣告(上海)有限公司 (translated as Hao Tian Advertising (Shanghai) Company Limited); 廣州天晉廣告有限公司 (translated as Guangzhou Tian Jin Advertising Company Limited); and 北京天機躍動文化傳媒有限公司 (translated as Beijing Tian Ji Yue Dong Wen Hua Media Company Limited) to strengthen its advertising sales arm in the PRC. Save for the above, the Easking Group did not have any other significant investments, material acquisitions or disposals during the year ended 31 December 2013.

Contingent liabilities and capital commitment

As at 31 December 2013, the Easking Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2013, the Easking Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2013, the Easking Group had around 5 employees (2012: 2). The employee benefit expense (including directors' emoluments) incurred by the Easking Group was approximately HK$0.3 million for the year ended 31 December 2013. The pay scale of the Easking Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Easking Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2013.

(iii) For the year ended 31 December 2014

Business review

The Easking Group recorded turnover of approximately HK$352.9 million (2013: HK$12.8 million) and gross profit of approximately HK$4.6 million (2013: HK$0.2 million) for the year ended 31 December 2014. A net loss of approximately HK$16.4 million (2013: HK$1.3 million) was recorded for the year ended 31 December 2014. In 2014, the Disposal Group restructured its PRC sales companies whereby the CinMedia Group transferred the advertising agency contracts with CSA Media and CEA Media to the Easking Group. Since then, the obligations to pay the annual fees to CSA Media and CEA Media had been assumed by the Easking Group and sales contracts for placing advertisements in the inflight magazines published by CSA Media and CEA Media were entered into by the Easking Group with the Group's customers. As a result, both turnover and direct operating costs of the Easking Group increased significantly in 2014. The Easking Group recorded net loss for the year ended 31 December 2014 because of the slowdown in the growth of luxury goods sales in China. The profit margin dropped because the fixed direct and indirect operating costs did not decrease correspondingly.

The other operating costs of HK$2.0 million (2013: nil) for the year ended 31 December 2014 mainly comprised provision of doubtful debts. The increase in other operating costs was caused by the significant increase in turnover.

Liquidity and financial resources

The Easking Group generally finances its operations with internally generated cashflow and financial support from its holding companies and fellow subsidiaries. The amounts due from Easking's fellow subsidiaries and due to intermediate holding company, immediate holding company and fellow subsidiaries are unsecured, interest-free and repayment on demand. The Easking Group adopts centralised financing and treasury policies in order to ensure the Easking Group's funding is utilised efficiently. As at 31 December 2014, the Easking Group had net current liabilities of approximately HK$15.2 million (2013: HK$1.3 million). The Easking Group's current ratio as at 31 December 2014, which is defined as current assets over current liabilities, was 0.9 (2013: 0.9). The Easking Group had total cash and bank deposits of approximately HK$31.8 million as at 31 December 2014 (2013: HK$5.3 million). The Easking Group had no borrowings or committed borrowing facilities as at 31 December 2014 and its gearing ratio as at 31 December 2014 was therefore nil (2013: nil).

Exchange rate exposure

The Easking Group does not have material exposure to currency risk as most of the Easking Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The Easking Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the year ended 31 December 2014, the Easking Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The Easking Group did not have any significant investments, material acquisitions or disposals during the year ended 31 December 2014.

Contingent liabilities and capital commitment

As at 31 December 2014, the Easking Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 December 2014, the Easking Group did not pledge any of its assets.

Employees and emolument policy

As at 31 December 2014, the Easking Group had around 19 employees (2013: 5). The employee benefit expense (including directors' emoluments) incurred by the Easking Group was approximately HK$4.4 million for the year ended 31 December 2014. The pay scale of the Easking Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Easking Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 December 2014.

(iv) For the five months ended 31 May 2015

Business review

The Easking Group recorded turnover of approximately HK$104.1 million (2014: HK$144.1 million) and gross loss of approximately HK$11.3 million (2014: gross profit of HK$3.1 million) for the five months ended 31 May 2015. A net loss of approximately HK$24.6 million (2014: HK$3.0 million) was recorded for the five months ended 31 May 2015 as a result of significant decrease in the turnover. The significant decrease in advertising income was caused by the slowdown in the growth of luxury goods sales in China. The provision of internet and digital media in aircrafts and airport terminals has had significant impact to the Easking Group's traditional print media advertising business. The Easking Group recorded net loss for the period ended 31 May 2015 because the fixed direct and indirect operating costs did not decrease correspondingly.

Since the annual fees payable for the advertising agency contracts included fixed fees which are substantial relative to the total advertising income, the decline in advertising income had resulted in a gross loss of approximately HK$11.3 million for the five months ended 31 May 2015.

The other operating expenses represent provision for doubtful debts. Such expenses increased from approximately HK$0.7 million for the five months ended 31 May 2014 to approximately HK$6.7 million for the five months ended 31 May 2015 mainly due to the increasing difficulties encountered by the Easking Group in collecting trade debts.

Liquidity and financial resources

The Easking Group generally finances its operations with internally generated cashflow and financial support from its immediate holding company and fellow subsidiaries. The amounts due to Easking's immediate holding company and fellow subsidiaries are unsecured, interest-free and repayment on demand. The Easking Group adopts centralised financing and treasury policies in order to ensure the Easking Group's funding is utilised efficiently. As at 31 May 2015, the Easking Group had net current liabilities of approximately HK$40.7 million (31 December 2014: HK$15.2 million). The Easking Group's current ratio as at 31 May 2015, which is defined as current assets over current liabilities, was 0.6 (31 December 2014: 0.9). The Easking Group had total cash and bank deposits of approximately HK$31.9 million as at 31 May 2015 (31 December 2014: HK$31.8 million). The Easking Group had no borrowings or committed borrowing facilities as at 31 May 2015 and its gearing ratio as at 31 May 2015 was therefore nil (31 December 2014: nil).

Exchange rate exposure

The Easking Group does not have material exposure to currency risk as most of the Easking Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The Easking Group reviews its foreign currency exposures on a regular basis and does not consider its foreign currency risk to be significant. For the five months ended 31 May 2015, the Easking Group did not use any financial instruments for hedging purpose.

Significant investments, material acquisitions and disposals

The Easking Group did not have any significant investments, material acquisitions or disposals during the five months ended 31 May 2015.

Contingent liabilities and capital commitment

As at 31 May 2015, the Easking Group did not have any material contingent liabilities and capital commitment.

Pledge of assets

As at 31 May 2015, the Easking Group did not pledge any of its assets.

Employees and emolument policy

As at 31 May 2015, the Easking Group had around 20 employees (31 December 2014: 19). The employee benefit expense (including directors' emoluments) incurred by the Easking Group was approximately HK$2.9 million for the five months ended 31 May 2015. The pay scale of the Easking Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Easking Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

Future plans for material investments, new businesses, acquisitions and disposals of capital assets

There was no specific plan for material investments, new businesses, acquisitions and disposals of material capital assets as at 31 May 2015.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION

INTRODUCTION

The following is an illustrative and unaudited pro forma consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows (the "Unaudited Pro Forma Financial Information") of the Remaining Group, which has been prepared by the Directors to illustrate the effect of the disposal of the entire equity interest in CinMedia and Easking (together, the "Disposal Companies") as if it had been completed on 30 June 2015 for the unaudited pro forma consolidated statement of financial position and on 1 January 2014 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows in accordance with Rule 4.29 of the Listing Rules.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the Directors' judgements, estimations and assumptions, and because of its hypothetical nature, it does not represent the actual nor purport to predict the future financial position of the Remaining Group as at 30 June 2015 or at any future date or the financial performance and cash flows of the Remaining Group for the year ended 31 December 2014 or for any future period.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2015 extracted from the interim report of the Company for the six months ended 30 June 2015 published on 30 July 2015, adjusted as described below, as if the Disposal had been completed on 30 June 2015. The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2014 extracted from published annual report of the Group for the year ended 31 December 2014 (the "2014 Annual Report"), adjusted as described below, as if the Disposal had taken place on 1 January 2014.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	The Group as at 30 June 2015	Pro forma adjustments					Unaudited pro forma of the Remaining Group as at 30 June 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 7)*	*(Note 12)*	
Non-current assets							
Property, plant and equipment	3,718	–	–	–	–	–	3,718
Prepaid land lease payments	5,578	–	–	–	–	–	5,578
Investment properties	29,266	–	–	–	–	–	29,266
	38,562	–	–	–	–	–	38,562
Current assets							
Trade and other receivables and deposits	11,618	–	–	–	–	–	11,618
Financial assets at fair value through profit or loss	855	–	–	–	–	–	855
Tax recoverable	3,186	–	–	–	–	–	3,186
Cash and cash equivalents	80,100	–	–	10,000	–	–	90,100
	95,759	–	–	10,000	–	–	105,759
Assets classified as held for sale	86,168	(34,779)	(60,230)	–	–	8,841	–
	181,927	(34,779)	(60,230)	10,000	–	8,841	105,759
Current liabilities							
Trade and other payables	5,793	–	–	–	–	–	5,793
Provision for taxation	3,887	–	–	–	–	–	3,887
	9,680	–	–	–	–	–	9,680
Liabilities directly associated with assets classified as held for sale	73,636	(3,917)	(102,786)	19,332	4,692	9,043	–
	83,316	(3,917)	(102,786)	19,332	4,692	9,043	9,680
Net current assets	98,611	(30,862)	42,556	(9,332)	(4,692)	(202)	96,079
Net assets	137,173	(30,862)	42,556	(9,332)	(4,692)	(202)	134,641
Equity							
Share capital	66,757	–	–	–	–	–	66,757
Reserves	70,416	(30,862)	42,556	(9,332)	(4,692)	(202)	67,884
Total equity	137,173	(30,862)	42,556	(9,332)	(4,692)	(202)	134,641

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	The Group Year ended 31 December 2014			Pro forma adjustments		Unaudited pro forma of the Remaining Group for the year ended 31 December 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 5)*	*(Note 6)*	*(Note 7)*	*(Note 8)*	
Continuing operations						
Revenue	476,149	(63,633)	(352,890)	–	–	59,626
Direct operating costs	(377,215)	12,365	348,319	–	–	(16,531)
Gross profit	98,934	(51,268)	(4,571)	–	–	43,095
Other revenue and net income	7,593	(4,072)	(383)	–	–	3,138
Selling and distribution costs	(30,438)	9,749	4,647	–	–	(16,042)
Administrative expenses	(37,804)	24,305	4,110	(4,692)	–	(14,081)
Other expenses	(3,705)	1,658	1,969	–	–	(78)
Finance costs	(66)	–	–	–	–	(66)
Loss on disposal of subsidiaries	–	–	–	–	(61,744)	(61,744)
Profit/(Loss) before income tax from continuing operations	34,514	(19,628)	5,772	(4,692)	(61,744)	(45,778)
Income tax expense	(16,554)	3,538	10,663	–	–	(2,353)
Profit/(Loss) for the year from continuing operations	17,960	(16,090)	16,435	(4,692)	(61,744)	(48,131)
Discontinued operations						
Profit for the year from discontinued operations	76,675	–	–	–	–	76,675
Profit for the year	94,635	(16,090)	16,435	(4,692)	(61,744)	28,544
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange loss on translation of financial statements of foreign operations	(633)	239	164	–	–	(230)
Release of exchange reserve upon distribution of subsidiaries	(1,608)	–	–	–	(3,353)	(4,961)
Other comprehensive income for the year, net of tax	(2,241)	239	164	–	(3,353)	(5,191)
Total comprehensive income for the year	92,394	(15,851)	16,599	(4,692)	(65,097)	23,353

	The Group Year ended 31 December 2014	Pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 5)*	*(Note 6)*	*(Note 7)*	*(Note 8)*	
Profit/(Loss) for the year attributable to:						
Owners of the Company						
Profit/(Loss) for the year from continuing operations	17,960	(16,090)	16,435	(4,692)	(61,744)	(48,131)
Profit for the year from discontinued operations	60,953	–	–	–	–	60,953
Profit for the year attributable to owners of the Company	78,913	(16,090)	16,435	(4,692)	(61,744)	12,822
Non-controlling interests						
Profit for the year from continuing operations	–	–	–	–	–	–
Profit for the year from discontinued operations	15,722	–	–	–	–	15,722
Profit for the year attributable to non-controlling interests	15,722	–	–	–	–	15,722
	94,635	(16,090)	16,435	(4,692)	(61,744)	28,544
Total comprehensive income attributable to:						
Owners of the Company	76,763	(15,851)	16,599	(4,692)	(65,097)	7,722
Non-controlling interests	15,631	–	–	–	–	15,631
	92,394	(15,851)	16,599	(4,692)	(65,097)	23,353

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group Year ended 31 December 2014	Pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 9)*	*(Note 10)*	*(Note 7)*	*(Note 11)*	
Cash flows from operating activities						
Profit/(Loss) before income tax						
From continuing operations	34,514	(19,628)	5,772	(4,692)	(61,744)	(45,778)
From discontinued operations	85,578	–	–	–	–	85,578
	120,092	(19,628)	5,772	(4,692)	(61,744)	39,800
Adjustments for:						
Amortisation of prepaid land lease payments	147	(147)	–	–	–	–
Depreciation of property, plant and equipment	11,554	(437)	(93)	–	–	11,024
Depreciation of investment properties	395	–	–	–	–	395
Amortisation of intangible assets	124	–	–	–	–	124
Dividend income from listed equity securities	(94)	–	–	–	–	(94)
Equity-settled share-based payment expenses	2,780	–	–	–	–	2,780
Gain on distribution of subsidiaries	(36,966)	–	–	–	–	(36,966)
Loss on disposal of subsidiaries	1,919	(1,919)	–	–	61,744	61,744
Gain on financial assets at fair value through profit or loss	(115)	–	–	–	–	(115)
Impairment of trade receivables	4,903	(1,658)	(1,969)	–	–	1,276
Impairment loss on amounts due from fellow subsidiaries	–	(4,692)	–	4,692	–	–
Bad debt written off	244	–	–	–	–	244
Write-down of inventories	400	–	–	–	–	400
Reversal of write-down of inventories	(5,246)	–	–	–	–	(5,246)
Interest expenses	703	–	–	–	–	703
Impairment of trade receivables written back	(4,094)	3,605	–	–	–	(489)
Interest income	(2,228)	85	24	–	–	(2,119)
Loss on disposals of property, plant and equipment	309	(100)	–	–	–	209
Operating profit before working capital changes	94,827	(24,891)	3,734	–	–	73,670
Increase in inventories	(29,561)	–	–	–	–	(29,561)
Decrease/(Increase) in trade and other receivables and deposits	6,316	(53,223)	30,154	–	–	(16,753)
Change in financial assets/liabilities at fair value through profit or loss	1,801	–	–	–	–	1,801
(Decrease)/Increase in trade and other payables	(2,042)	103,769	(46,871)	–	–	54,856
Cash generated from operations	71,341	25,655	(12,983)	–	–	84,013
Income taxes paid	(34,260)	17,203	5,370	–	–	(11,687)
Net cash from operating activities	37,081	42,858	(7,613)	–	–	72,326

	The Group Year ended 31 December 2014	Pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 9)*	*(Note 10)*	*(Note 7)*	*(Note 11)*	
Cash flows from investing activities						
Dividend income from listed equity securities received	94	–	–	–	–	94
Decrease in pledged deposits	33,365	–	–	–	–	33,365
Interest received	2,228	(85)	(24)	–	–	2,119
Proceeds on disposals of property, plant and equipment	131	–	–	–	–	131
Additions of property, plant and equipment	(4,092)	354	339	–	–	(3,399)
Net cash outflow in respect of distribution of subsidiaries	(235,188)	–	–	–	–	(235,188)
Net cash inflow in respect of disposals of subsidiaries	7,563	(7,563)	–	–	10,000	10,000
Acquisition of subsidiaries	(17,147)	–	–	–	–	(17,147)
Changes of amounts due from the Remaining Group	–	(171,829)	38,768	–	133,061	–
Net cash used in investing activities	(213,046)	(179,123)	39,083	–	143,061	(210,025)
Cash flows from financing activities						
Repayments of capital element of finance lease liabilities	(526)	–	–	–	–	(526)
Interest element of finance lease payments	(1)	–	–	–	–	(1)
Proceeds of bank borrowings	40,000	–	–	–	–	40,000
Repayments of bank borrowings	(9,139)	–	–	–	–	(9,139)
Interest on bank borrowings paid	(702)	–	–	–	–	(702)
Proceeds from shares issued on exercise of share options	2,084	–	–	–	–	2,084
Share issue expenses paid	(9)	–	–	–	–	(9)
Payments to employee for share award scheme	(1,572)	–	–	–	–	(1,572)
Dividends paid	(85,077)	–	–	–	–	(85,077)
Changes of amounts due to the Remaining Group	–	226,931	(58,008)	–	(168,923)	–
Net cash used in financing activities	(54,942)	226,931	(58,008)	–	(168,923)	(54,942)
Net decrease in cash and cash equivalents	(230,907)	90,666	(26,538)	–	(25,862)	(192,641)
Cash and cash equivalents at 1 January	382,522	(103,735)	(5,253)	–	–	273,534
Cash and cash equivalents at 31 December	151,615	(13,069)	(31,791)	–	(25,862)	80,893

NOTES TO THE PRO FORMA FINANCIAL INFORMATION

1. The consolidated statement of financial position of the Group as at 30 June 2015 is extracted from the Company's interim report for the six months ended 30 June 2015 published on 30 July 2015. The consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2014 are extracted from the 2014 Annual Report.

2. The adjustment reflects the exclusion of assets and liabilities of the CinMedia Group as at 31 May 2015, as if the Disposal had been completed on 30 June 2015. The amounts are extracted from the financial information of the CinMedia Group set out in Appendix IIA to this circular.

3. The adjustment reflects the exclusion of assets and liabilities of the Easking Group as at 31 May 2015, as if the Disposal had been completed on 30 June 2015. The amounts are extracted from the financial information of the Easking Group set out in Appendix IIB to this circular.

4. The adjustment represents the pro forma gain on Disposal as if the Disposal had been completed on 30 June 2015, calculated as follows:

	HK$'000
Cash consideration *(note a)*	12,500
Estimated professional fee directly attributable to the Disposal	(2,500)
	10,000
Net liabilities of the Disposal Group as at 31 May 2015 *(note b)*	7,002
Shareholder's Loan as at 31 May 2015 *(note a)*	(19,332)
	(2,330)
Release of exchange reserve of the Disposal Group as at 31 May 2015 upon the Disposal *(note c)*	2,950
	620
Net movement of net liabilities of the Disposal Group in June 2015 *(Note 12)*	(202)
Estimated gain on Disposal after release of exchange reserves of the Disposal Group recognised in profit or loss	418

(a) In accordance with the Disposal Agreement entered into between Recruit (BVI) and ER2, the Group agreed to dispose of its entire equity interest in the Disposal Companies, together with the shareholder's loan of the Disposal Group due to Recruit BVI (the "Shareholder's Loan") at an aggregate consideration of HK$12,500,000. As at 31 May 2015, the carrying amount of the Shareholder's Loan is HK$19,332,000.

(b)

	HK$'000
Net assets of the CinMedia Group as at 31 May 2015 as extracted from the financial information set out in Appendix IIA to this Circular	30,862
Net liabilities of the Easking Group as at 31 May 2015 as extracted from the financial information set out in Appendix IIB to this Circular	(42,556)
	(11,694)
Pro forma adjustment 7	4,692
Net liabilities of the Disposal Group as at 31 May 2015	(7,002)

The final gain or loss on the Disposal may be different from the pro forma amount described above as the carrying amounts of assets and liabilities of the Disposal Group on the actual date of disposal will differ from their carrying amounts as at 31 May 2015. It is also subject to change as the actual professional fees and related expenses will differ from the assumed amounts used in the preparation of the unaudited pro forma financial information.

(c) The release of exchange reserve of the Disposal Group as at 31 May 2015 upon the Disposal amounting to HK$2,950,000 is based on the combined exchange credit reserve of the CinMedia Group of HK$3,142,000 and exchange debit reserve of HK$192,000 of the Easking Group extracted from their respective financial information set out in Appendices IIA and IIB to this circular.

5. The adjustment is to exclude each line item of the CinMedia Group that is incorporated in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2014 as if the Disposal had been taken place on 1 January 2014. The amounts are extracted from the financial information of the CinMedia Group set out in Appendix IIA to this circular.

6. The adjustment is to exclude each line item of the Easking Group that is incorporated in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2014 as if the Disposal had been taken place on 1 January 2014. The amounts are extracted from the financial information of the Easking Group set out in Appendix IIB to this circular.

7. The adjustment is to eliminate impairment loss on amounts due from the Easking Group by the CinMedia Group of HK$4,692,000, which is recognised in profit or loss of the CinMedia Group.

8. The adjustment represents the recognition of pro forma loss arising from the Disposal as if the Disposal had been completed on 1 January 2014:

	HK$'000
Cash consideration *(note a)*	12,500
Estimated professional fee directly attributable to the Disposal	(2,500)
	10,000
Net assets of the Disposal Group as at 1 January 2014 *(note b)*	(18,460)
Shareholder's Loan as at 1 January 2014 *(note a)*	(56,637)
	(65,097)
Release of exchange reserve of the Disposal Group as at 1 January 2014 upon the Disposal *(note c)*	3,353
Estimated loss on Disposal after release of exchange reserves of the Disposal Group recognised in profit or loss	(61,744)

(a) In accordance with the Disposal Agreement, the Group agreed to dispose of its entire equity interest in the Disposal Companies, together with the Shareholder's Loan at an aggregate consideration of HK$12,500,000. As at 1 January 2014, the carrying amount of the Shareholder's Loan is HK$56,637,000.

(b) The net assets of the Disposal Group is HK$18,460,000 based on the combined net assets of the CinMedia Group of HK$19,789,000, and net liabilities of the Easking Group of HK$1,329,000 extracted from their respective financial information set out in Appendices IIA and IIB to this circular.

(c) The release of exchange reserve of the Disposal Group as at 31 December 2013 upon the Disposal amounting to HK$3,353,000 is based on the combined exchange credit reserve of the CinMedia Group of HK$3,381,000 and exchange debit reserve of HK$28,000 of the Easking Group extracted from their respective financial information set out in Appendices IIA and IIB to this circular.

9. The adjustment is to exclude the cash flows of the CinMedia Group incorporated in the consolidated statement of cash flows of the Group for the year ended 31 December 2014 as if the Disposal had been completed on 1 January 2014. The amounts are extracted from the financial information of the CinMedia Group set out in Appendix IIA to this circular.

10. The adjustment is to exclude the cash flows of the Easking Group incorporated in the consolidated statement of cash flows of the Group for the year ended 31 December 2014 as if the Disposal had been completed on 1 January 2014. The amounts are extracted from the financial information of the Easking Group set out in Appendix IIB to this circular.

11. These adjustments including (1) net cash inflow of HK$10,000,000 represents the cash consideration of HK$12,500,000 less estimated professional fee and other expenses directly attributable to the Disposal of HK$2,500,000; and (2) the exclusion of the advances/settlement of the net amount due from/to the Disposal Group by the Remaining Group, as if the Disposal had been completed on 1 January 2014.

12. The adjustment is to exclude the net movement in total assets and total liabilities of the Disposal Group in June 2015 of HK$8,841,000 and HK$9,043,000 respectively. The adjustment is to fully exclude assets classified as held for sale and liabilities directly associated with assets classified as held for sale of the Group as at 30 June 2015 as the exclusion of assets and liabilities of the Disposal Group in notes 1 and 2 represented the financial information of the Disposal Group as at 31 May 2015.

13. The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report received from the Company's reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Remaining Group as set out in section A of Appendix III, which has been prepared for the sole purpose of inclusion in this circular.

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

5 August 2015

The Directors
Cinderella Media Group Limited

Dear Sirs,

CINDERELLA MEDIA GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Cinderella Media Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purpose only. The unaudited pro forma financial information consist of the unaudited pro forma consolidated statement of financial position as at 30 June 2015, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2014, and the related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-9 of the circular issued by the Company dated 5 August (the "Circular") in relation to the proposed disposal of the entire equity interests in CinMedia Inc. and Easking Limited and their respective subsidiaries (the "Disposal"). The applicable criteria on the basis of which the directors of the Company has compiled the Unaudited Pro Forma Financial Information is set out in section A of Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Disposal on the Group's consolidated financial position as at 30 June 2015 and the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2014 as if the Disposal had been completed on 30 June 2015 and 1 January 2014 respectively. As part of this process, information about the Group's consolidated statement of financial position has been extracted by the directors of the Company from the Company's interim report for the six months ended 30 June 2015 published on 30 July 2015, and consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows has been extracted by the directors of the Company from the Group's consolidated financial statements for the year ended 31 December 2014, on which an audit report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29 of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on the unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 30 June 2015 or 1 January 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29 of Chapter 4 of the Listing Rules.

Yours faithfully

BDO Limited
Certified Public Accountants

The following is the text of a report received from Optima Capital, the financial adviser to the Company, on the unaudited pro forma net assets of the Remaining Group which has been prepared for the purpose of inclusion in this circular.

OPTIMA CAPITAL

Suite 1501, 15th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

5 August 2015

The Board of Directors
Cinderella Media Group Limited
26th Floor
625 King's Road
North Point
Hong Kong

Dear Sirs,

CINDERELLA MEDIA GROUP LIMITED

We refer to the circular issued by the Company dated 5 August 2015 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise specified.

We refer to the unaudited pro forma net assets of the Remaining Group as at 30 June 2015 contained in the unaudited pro forma financial information of the Remaining Group (the "Unaudited Pro Forma Financial Information") set out in section A of Appendix III to the Circular. We have discussed with the Directors the bases of preparation of the unaudited pro forma net assets of the Remaining Group as at 30 June 2015. We have also considered the report issued by BDO Limited, the reporting accountant of the Company, relating to the Unaudited Pro Forma Financial Information which include the unaudited pro forma net assets of the Remaining Group as at 30 June 2015 as set out in section B of Appendix III to the Circular. BDO Limited is of the opinion that (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis of preparation as stated therein; (b) such basis is consistent with the accounting policies of the Group; and (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29 of Chapter 4 of the Listing Rules.

Based on the above, we are of the opinion that the disclosure relating to the unaudited pro forma net assets of the Remaining Group as at 30 June 2015 included in the Unaudited Pro Forma Financial Information, for which the Directors are solely responsible, has been made after due and careful consideration.

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED
Beatrice Lung
Managing Director

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors or chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions:

(a) Long position in the Shares

Name of Director	Capacity	Number of Shares held	Approximate % of shareholding
Lau Chuk Kin *(Note 1)*	Interest of controlled corporation	183,632,000	55.02
Lam Mei Lan	Beneficial owner	2,400,000	0.72
Lee Ching Ming, Adrian	Beneficial owner	150,500	0.05
Peter Stavros Patapios Christofis	Beneficial owner	670,500	0.2
Cheng Ping Kuen, Franco	Beneficial owner	120,000	0.04

(b) Long position in the shares of ER2, an associated corporation of the Company

Name of Director	Capacity	Number of shares of ER2 held	Approximate % of shareholding
Lau Chuk Kin	Beneficial owner	8,375	67
Wan Siu Kau	Beneficial owner	1,500	12

Note:

1. Of 183,632,000 Shares, 5,678,000 Shares and 177,954,000 Shares are beneficially owned by ER2 and City Apex respectively. ER2, which is the ultimate holding company of City Apex, is beneficially owned as to 67% by Mr. Lau Chuk Kin and 12% by Mr. Wan Siu Kau. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said Shares pursuant to Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or were deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (if any) or had any options in respect of such capital:

Name of Shareholders	Capacity	Number of Shares held	Approximate % of shareholding
ER2 *(Note 1)*	Beneficial owner/ Interest of controlled corporation	183,632,000	55.02
City Apex *(Note 1)*	Beneficial owner	177,954,000	53.31
HSBC International Trustee Limited *(Note 2)*	Beneficial owner	21,638,000	6.48
Great Eagle Holdings Limited *(Note 2)*	Interest of controlled corporation	21,638,000	6.48
Jolly Trend Limited *(Note 2)*	Interest of controlled corporation	21,638,000	6.48
The Great Eagle Company, Limited *(Note 3)*	Beneficial owner	21,638,000	6.48
Dr. Lo Ka Shui *(Note 4)*	Beneficial owner/ Interest of controlled corporation	21,788,000	6.53
Chan Family Investment Corporation Limited *(Note 5)*	Beneficial owner/ Interest of controlled corporation	20,115,333	6.03
Tai Wah Investment Company Limited *(Note 5)*	Beneficial owner	18,000,000	5.40
FMR LLC	Investment manager	19,120,000	5.73
Upsky Global Limited *(Note 6)*	Beneficial Owner	91,816,000	27.51
Chen JiaRong *(Note 6)*	Interest of controlled corporation	91,816,000	27.51
Metro Victory Holdings Limited *(Note 7)*	Beneficial Owner	45,908,000	13.75

Name of Shareholders	Capacity	Number of Shares held	Approximate % of shareholding
Lau Kan Sum *(Note 7)*	Interest of controlled corporation	45,908,000	13.75
Lau Chau In (Note 7)	Interest of controlled corporation	45,908,000	13.75
Polaris Investment Management Limited *(Note 8)*	Beneficial Owner	45,908,000	13.75
Gary Liu Wei *(Note 8)*	Interest of controlled corporation	45,908,000	13.75

Notes:

1. Of the 183,632,000 Shares, 5,678,000 Shares are directly held by ER2. City Apex which is owned as to 77% by ER2 and 23% by Wellsmart Assets Limited, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited, directly holds 177,954,000 Shares. ER2 is deemed to be interested in the 177,954,000 Shares owned by City Apex. Mr. Lau Chuk Kin (an executive Director) and Mr. Wan Siu Kau (a non-executive Director) are also directors of ER2. Mr. Lau Chuk Kin and Ms. Lam Mei Lan (an executive Director) are also directors of City Apex.

2. Each of HSBC International Trustee Limited, Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,638,000 Shares owned by The Great Eagle Company, Limited.

3. Of these Shares, 21,638,000 Shares are duplicated in the interest described in note 2, as The Great Eagle Company, Limited is a wholly-owned subsidiary of Great Eagle Holdings Limited.

4. Dr. Lo Ka Shui is deemed to be interested in the 21,638,000 Shares owned by The Great Eagle Company Limited. In addition, Dr. Lo Ka Shui also has personal interest in 150,000 Shares.

5. Of these Shares, 1,117,333 Shares are directly owned by Chan Family Investment Corporation Limited, 998,000 Shares and 18,000,000 Shares are held by wholly-owned subsidiaries of Chan Family Investment Corporation Limited, namely Earnyear Limited and Tai Wah Investment Company Limited respectively.

6. Pursuant to the Sale and Purchase Agreement, Upsky Global Limited, being one of the Joint Offerors, agreed to acquire 91,816,000 Shares from City Apex and ER2 subject to fulfilment of certain conditions. As at the Latest Practicable Date, the Sale and Purchase Agreement has not been completed. Upsky Global Limited is wholly owned by Mr. Chen JiaRong. Mr. Chen JiaRong is deemed to be interested in all the Shares in which Upsky Global Limited is interested.

7. Pursuant to the Sale and Purchase Agreement, Metro Victory Holdings Limited, being one of the Joint Offerors, agreed to acquire 45,908,000 Shares from City Apex and ER2 subject to fulfilment of certain conditions. As at the Latest Practicable Date, the Sale and Purchase Agreement has not been completed. Metro Victory Holdings Limited is owned as to 55% by Mr. Lau Kan Sum and as to 45% by Ms. Lau Chau In. Mr. Lau Kan Sum and Ms. Lau Chau In are deemed to be interested in all the Shares in which Metro Victory Holdings Limited is interested.

8. Pursuant to the Sale and Purchase Agreement, Polaris Investment Management Limited, being one of the Joint Offerors, agreed to acquire 45,908,000 Shares from City Apex and ER2 subject to fulfilment of certain conditions. As at the Latest Practicable Date, the Sale and Purchase Agreement has not been completed. Polaris Investment Management Limited is wholly owned by Mr. Gary Liu Wei. Mr. Gary Liu Wei is deemed to be interested in all the Shares in which Polaris Investment Management Limited is interested.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, save for (i) the non-renewal of the advertising contract with China Southern Air Media Co., Ltd. as announced by the Company on 10 June 2015; and (ii) the Group recorded a net loss of approximately HK$22.6 million (including a net profit from the continued operation of approximately HK$7.8 million and a net loss from the discontinued operation of approximately HK$30.4 million) for the six months ended 30 June 2015 as compared to a net profit of approximately HK$95.6 million (including net profit from the continued and discontinued operations of approximately HK$7.0 million and HK$88.6 million respectively) for the same period in the preceding year as disclosed in the Company's interim report for the six months ended 30 June 2015 published on 30 July 2015, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the interests of Mr. Lau Chuk Kin and Mr. Wan Siu Kau in the Disposal Agreement by virtue of their shareholding in ER2, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

7. COMPETING INTERESTS

Mr. Lau Chuk Kin is an indirect shareholder of International Resources Group Limited ("IRG"). He has been appointed as director of Odgers Ray & Berndtson (Hong Kong) Limited, a subsidiary of IRG, since August 2008. IRG is a company providing human resources/recruitment consulting services with a focus on senior executive and board level appointments, while the Group provides staff selection service which forms only a minimal part of the Group's income as an ancillary service for promoting its recruitment website. IRG is managed by independent management in the United Kingdom. Having considered (i) the nature, scope and size of the businesses of IRG; and (ii) the nature and extent of Mr. Lau's interest in IRG, the Directors believe that there is a clear delineation and no competition between the businesses of the Group and IRG.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and their respective close associates (as defined under the Listing Rules) had any interests in any business which competes or might competes with the business of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

(i) the agreement dated 10 July 2014 entered into between CinMedia as the vendor and Spring Champion Holdings Limited as the purchaser in relation to the sale and purchase of the entire issued share capital of SAR Media Limited at a consideration of HK$3,200,000;

(ii) the agreement dated 1 September 2014 entered into amongst (a) Recruit Human Resources Group Limited (an indirect wholly owned subsidiary of the Company) as the purchaser and (b) Naturbest Investment Limited and Li Hoi, David as the vendors in relation to the sale and purchase of the entire issued share capital of Express Ocean Investment Limited at a consideration HK$17,400,000.00;

(iii) the agreement dated 29 September 2014 entered into between Iguazu (Shanghai) Advertising Company Limited as the vendor and 陳柱根 (translated as Chen Zhu Gen) as the purchaser in relation to the sale and purchase of the entire issued share capital of 北京海溢吉盛廣告有限公司 (translated as Beijing Hai Yi Ji Sheng Advertising Company Limited) at a consideration of RMB6,994,024; and

(iv) the Disposal Agreement.

9. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

10. EXPERTS AND CONSENTS

Set out below are the qualification of the experts who have given opinions or advices contained in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants
BOSC International	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

Optima Capital	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, none of the above experts had any direct or indirect interests in any assets which had been, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the above experts was interested in any securities in any members of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its respective letter and/or report and/or reference to its name in the form and context in which they respectively appear.

11. GENERAL

(a) The company secretary of the Company is Ms. Lam Mei Lan, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

(b) The Company's Hong Kong branch registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(d) The head office and principal place of business of the Company is at 26th Floor, 625 King's Road, North Point, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the head office and principal place of business of the Company in Hong Kong from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual report of the Company for the financial year ended 31 December 2013;

(c) the annual report of the Company for the financial year ended 31 December 2014;

(d) the letter from BOSC International as set out in this circular;

(e) the accountant's reports issued by BDO Limited on the financial information of the CinMedia Group and the Easking Group as set out in Appendices IIA and IIB to this circular;

(f) the report issued by BDO Limited relating to the unaudited pro forma financial information on the Remaining Group as set out in Appendix III to this circular;

(g) the report issued by Optima Capital on the unaudited pro forma net assets of the Remaining Group as set out in Appendix IV to this circular;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix;

(i) the written consents referred to in the paragraph headed "Experts and Consent" in this Appendix; and

(j) this circular.

CINDERELLA MEDIA GROUP LIMITED
先傳媒集團有限公司*

(Continued in Bermuda with limited liability)

(Stock Code: 550)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "**Meeting**") of Cinderella Media Group Limited (the "**Company**") will be held at 10:00 a.m. on Friday, 21 August 2015 at 26th Floor, 625 King's Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 5 August 2015 ("**Circular**") of which the notice convening this Meeting forms part.

ORDINARY RESOLUTION

"**THAT** the Disposal Agreement dated 1 June 2015 and entered into between Recruit (BVI) and ER2, pursuant to which Recruit (BVI) agreed to sell and ER2 agreed to purchase the entire issued share capital and shareholders' loan(s) of each of CinMedia and Easking at a total consideration of HK$12,500,000 on and subject to the terms and conditions contained therein and as supplemented by a supplemental agreement dated 10 June 2015, and the transactions contemplated under the Disposal Agreement be and are hereby approved, confirmed and ratified; and the Directors be and are hereby authorised to sign, execute and deliver any agreements, deeds, instruments and any other documents (and, where necessary, to affix the seal of the Company on them in accordance with the bye-laws of the Company) in connection with the Disposal Agreement and to do and take all such action, steps, deeds and things in such manner as they may deem necessary, desirable or appropriate to give effect to the Disposal Agreement and the transactions contemplated under it."

By Order of the Board
Cinderella Media Group Limited
Lam Mei Lan
Executive Director

Hong Kong, 5 August 2015

* *For identification purpose only*

Principal place of business in Hong Kong:
26th Floor
625 King's Road
North Point
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation shall be entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

3. To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof (as the case may be).

4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

6. The voting at the Meeting shall be taken by way of poll.

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