THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance 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 securities in Cinderella Media Group Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained in this Composite Document.

UPSKY GLOBAL LIMITED

(incorporated in the British Virgin Islands with limited liability)

METRO VICTORY HOLDINGS LIMITED

(incorporated in the British Virgin Islands with limited liability)

POLARIS INVESTMENT MANAGEMENT LIMITED

(incorporated in the British Virgin Islands with limited liability)

CINDERELLA MEDIA GROUP LIMITED

先傳媒集團有限公司*

(continued in Bermuda with limited liability)

(Stock code: 550)

COMPOSITE DOCUMENT IN RELATION TO MANDATORY UNCONDITIONAL CASH OFFER BY

BRIDGE PARTNERS CAPITAL LIMITED

KINGSTON SECURITIES

FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES OF CINDERELLA MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)

Joint Financial Advisers to the Joint Offerors

BRIDGE PARTNERS CAPITAL LIMITED

KINGSTON CORPORATE FINANCE

Financial Adviser to Cinderella Media Group Limited

Optima Capital Limited

Independent Financial Adviser to the Independent Board Committee

上銀國際有限公司

BOSC International Company Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Bridge Partners and Kingston Securities containing, among other things, details of the terms and conditions of the Offer is set out on pages 7 to 15 of this Composite Document.

A letter from the Board is set out on pages 16 to 21 of this Composite Document.

A letter from the Independent Board Committee is set out on pages 22 to 23 of this Composite Document.

A letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee is set out on pages 24 to 46 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Acceptances of the Offer should be received by the Registrar by no later than 4:00 p.m. on Tuesday, 22 September 2015 or such later time and/or date as the Joint Offerors may determine and announce with the consent of the Executive, in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of any person wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Each such person is advised to seek professional advice on deciding whether to accept the Offer.

* *For identification purposes only*

1 September 2015

CONTENTS

The expected timetable set out below is indicative and may be subject to change. Any changes to the timetable will be jointly announced by the Joint Offerors and the Company. All the time and date references contained in this Composite Document refer to Hong Kong time and dates.

Despatch date of this Composite Document and the accompanying Form of Acceptance and the commencement date of the Offer *(Note 1)*	Tuesday, 1 September 2015
Latest time and date for acceptance of the Offer *(Note 2)*	by 4:00 p.m. on Tuesday, 22 September 2015
Offer Closing Date *(Notes 1 and 2)*	Tuesday, 22 September 2015
Announcement of the results of the Offer to be published on the website of the Stock Exchange *(Note 2)*	by 7:00 p.m. on Tuesday, 22 September 2015
Latest date of posting of remittances for the amounts due under the Offer in respect of valid acceptances received under the Offer *(Notes 3 & 4)*	Monday, 5 October 2015

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of the Composite Document, and is capable of acceptance on and from that date until the close of the Offer Period on the Offer Closing Date.

2. The Offer will be closed at 4:00 p.m. on the Offer Closing Date unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Joint Offerors through the website of the Stock Exchange by 7:00 p.m. on the Offer Closing Date stating the results of the Offer and whether the Offer has been revised or extended. In the event that the Joint Offerors decide that the Offer will remain open, the announcement will state the next closing date of the Offer or that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given, before the Offer is closed, to those Independent Shareholders who have not accepted the Offer.

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be posted to the accepting Independent Shareholders by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days of the date of receipt by the Registrar of duly completed Form of Acceptance and all the relevant documents of title to render the acceptance by such Shareholders respectively under the Offer complete and valid.

   Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed "6. RIGHT OF WITHDRAWAL" in Appendix I to the Composite Document.

4. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day;

   (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for the acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Joint Offerors and the Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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

"acting in concert"	has the meaning ascribed thereto in the Takeovers Code
"Acquisition Facilities"	the standby facility of HK$90,000,000 granted by Kingston Securities to the Joint Offerors to finance their financial obligations under the Sale and Purchase Agreement
"associate(s)"	has the meaning ascribed thereto in the Listing Rules and the Takeovers Code
"Board"	the board of Directors
"Bridge Partners"	Bridge Partners Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Joint Offerors in respect of the Offer
"Business Day"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"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
"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)
"Composite Document"	this composite offer and response document jointly issued by the Joint Offerors and the Company, which sets out, among other things, details of the Offer in accordance with the Takeovers Code
"Director(s)"	the director(s) of the Company

"Disposal"	the transactions contemplated under the Disposal Agreement
"Disposal Agreement"	the 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$12,500,000 on and subject to the terms and conditions contained therein and as supplemented by a supplemental agreement dated 10 June 2015
"Disposal Circular"	the circular of the Company dated 5 August 2015 relating to the Disposal
"Easking"	Easking Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Recruit (BVI) before completion of the Disposal
"Easking Group"	Easking and its subsidiaries
"Encumbrances"	liens, claims, equities, charges, encumbrances or third-party rights of whatsoever nature
"ER2"	ER2 Holdings Limited, a company incorporated in Hong Kong which is beneficially owned as to 67% by Mr. Lau Chuk Kin (an executive Director) and as to 12% by Mr. Wan Siu Kau (a non-executive Director)
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Form of Acceptance"	the form of acceptance and transfer of the Offer Shares accompanying this Composite Document
"Group"	the Company and its subsidiaries. For the avoidance of doubt, the Group shall include CinMedia Group and the Easking Group before completion of the Disposal and shall exclude CinMedia Group and the Easking Group after completion of the Disposal (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board comprising all the non-executive Directors and independent non-executive Directors (namely, Mr. Lee Ching Ming, Adrian, Mr. Peter Starvros Patapios Chrisofis, Mrs. Ling Lee Ching Man Eleanor, Mr. Cheng Ping Kuen, Franco, Mr. Ho David but excluding Mr. Wan Siu Kau who has an equity interest in ER2), which has been established to advise the Independent Shareholders in relation to the terms of the Offer and its acceptance
"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 under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Offer
"Independent Shareholders"	Shareholders other than the Joint Offerors and parties acting in concert with any of them
"Joint Announcement"	the joint announcement dated 9 July 2015 jointly issued by or for and on behalf of the Joint Offerors and the Company in relation to, among other things, the Sale and Purchase Agreement and the Offer
"Joint Financial Advisers"	Bridge Partners and Kingston Corporate Finance
"Joint Offerors"	Upsky, Metro Victory and Polaris
"Kingston Corporate Finance"	Kingston Corporate Finance Limited, a corporation licenced to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Joint Offerors
"Kingston Securities"	Kingston Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO
"Last Trading Day"	1 June 2015, being the last trading day of the Shares on the Stock Exchange prior to the date of the publication of the Joint Announcement
"Latest Practicable Date"	28 August 2015, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Facilities"	the Acquisition Facilities and Offer Facilities

"Metro Victory"	Metro Victory Holdings Limited, a company incorporated under the laws of the BVI with limited liability
"Offer"	the mandatory unconditional cash offer being jointly made by Bridge Partners and Kingston Securities for and on behalf of the Joint Offerors to acquire 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 pursuant to Rule 26.1 of the Takeovers Code
"Offer Closing Date"	Tuesday, 22 September 2015, being the closing date of the Offer which is the first Business Day immediately after 21 days from the date on which this Composite Document was posted (or such other date as revised or extended in accordance with the Takeovers Code)
"Offer Facilities"	the standby facility of up to HK$306,000,000 granted by Kingston Securities to the Joint Offerors to finance their financial obligations under the Offer
"Offer Period"	the period commencing from 27 May 2015, being the date of the Company's announcement made pursuant to Rule 3.7 of the Takeovers Code in relation to the possible disposal of Shares by the Vendors, to the Offer Closing Date
"Offer Price"	the price per Offer Share at which the Offer is being made in cash, being HK$2.038 per Offer Share
"Offer Shares"	all the Shares in issue, other than those Shares already owned by or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them
"Overseas Shareholder(s)"	Independent Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
"Polaris"	Polaris Investment Management Limited, a company incorporated under the laws of the BVI with limited liability
"PRC" or "China"	the People's Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Recruit (BVI)"	Recruit (BVI) Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
"Registrar"	Computershare Hong Kong Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

"Relevant Period"	the period from 27 November 2014, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
"Remaining Group"	the Company and its subsidiaries immediately after completion of the Disposal
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 1 June 2015 entered into between the Vendors 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 the Vendors 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"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Share(s)
"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
"Upsky"	Upsky Global Limited, a company incorporated under the laws of the BVI with limited liability
"Vendors"	City Apex and ER2, the legal and beneficial owners of 177,954,000 and 5,678,000 Shares respectively immediately prior to the Sale and Purchase Completion, representing approximately 53.314% and 1.701% of the Company's issued share capital as at the Latest Practicable Date
"%"	per cent.

BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED
Room 3303, 33/F, West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

KINGSTON SECURITIES
Suite 2801, 28th Floor, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

1 September 2015

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
BRIDGE PARTNERS CAPITAL LIMITED
AND
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF THE JOINT OFFERORS
TO ACQUIRE ALL OF THE ISSUED SHARES OF
CINDERELLA MEDIA GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

Reference is made to the Joint Announcement.

On 9 July 2015, the Joint Offerors and the Company jointly announced that the Joint Offerors and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors agreed to acquire and the Vendors agreed to sell the Sale Shares, representing approximately 55.015% of the existing issued share capital of the Company, for a total consideration of HK$374,242,016, representing HK$2.038 per Sale Share.

The Sale and Purchase Completion took place on 25 August 2015. Upon the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with any of them own a total of 183,632,000 Shares, representing 55.015% of the existing issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a 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).

This letter forms part of this Composite Document which sets out, among other things, the details of the Offer, information on the Joint Offerors and the intention of the Joint Offerors regarding the Group. Further terms and procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document and the appendices as set out in the Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

Bridge Partners and Kingston Securities are making the Offer for and on behalf of the Joint Offerors in compliance with the Takeovers Code on the following terms:

For each Offer Share. . . . . HK$2.038 in cash

The Offer Price of HK$2.038 per Offer Share under the Offer is the same as the purchase price per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement.

As at the Latest Practicable Date, there were 333,784,000 Shares in issue. The Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Allocation proportion between the Joint Offerors

The Joint Offerors will acquire Shares tendered for acceptance by the Independent Shareholders pursuant to and in accordance with the terms of the Offer in the proportion of 50% by Upsky, 25% by Metro Victory and 25% by Polaris. Each of the Joint Offerors will pay for the Shares tendered under the Offer according to the aforesaid proportion.

Comparison of value

The Offer Price of HK$2.038 per Share is equal to the consideration per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement and represents:

(i) a discount of approximately 1.07% to the closing price of HK$2.06 per Share on the Latest Practicable Date;

(ii) a discount of approximately 27.21% to the closing price of HK$2.80 per Share as quoted on the Stock Exchange on 26 May 2015, being the last trading day for the Shares prior to the commencement of the Offer Period;

(iii) a discount of approximately 38.61% to the closing price of HK$3.32 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a discount of approximately 34.26% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK$3.10 per Share;

(v) a discount of approximately 23.38% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK$2.66 per Share;

(vi) a discount of approximately 15.79% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK$2.42 per Share;

(vii) a premium of approximately 277.41% over the audited consolidated net asset value per Share of the Company of approximately HK$0.54 as at 31 December 2014; and

(viii) a premium of approximately 397.07% over the unaudited consolidated net asset value per Share of the Company of approximately HK$0.41 as at 30 June 2015.

Highest and lowest Share prices

During the Relevant Period:

(i) the highest closing price of the Shares as quoted on the Stock Exchange was HK$3.82 per Share on both 7 May 2015 and 8 May 2015; and

(ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$1.39 per Share on 10 March 2015.

Value of the Offer

Immediately after the Sale and Purchase Completion and on the basis that there are 150,152,000 Shares subject to the Offer and the Offer Price of HK$2.038 per Share, the value of the Offer is HK$306,009,776.

Confirmation of financial resources

The maximum consideration payable under the Offer will amount to HK$306,009,776, of which Upsky shall be responsible for HK$153,004,888, Metro Victory shall be responsible for HK$76,502,444 and Polaris shall be responsible for HK$76,502,444. Each of the Joint Offerors intends to finance and satisfy the consideration payable under the Offer with the Offer Facility and its internal resources.

Bridge Partners and Kingston Corporate Finance, being the Joint Financial Advisers to the Joint Offerors, are satisfied that sufficient financial resources are available to each of the Joint Offerors to satisfy the consideration for the full acceptance of the Offer.

The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, such facilities will not depend on any significant extent on the business of the Group.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which the relevant documents of title are received by the Joint Offerors or their agent(s) to render each such acceptance complete and valid and in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

Compulsory acquisition

The Joint Offerors do not intend to exercise any right which may be available to them to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

Effect of accepting the Offer

The Offer is unconditional in all aspects and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Offer Closing Date. By accepting the Offer, the Shareholders will sell their Shares free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching to them including, without limitation, the right to receive all dividends and distributions which may be declared, paid or made, if any, at any time on or after the date on which the Offer is made, being the date of despatch of this Composite Document. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed "Right of Withdrawal" in Appendix I to this Composite Document.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors, parties acting in concert with the Joint Offerors, the Company, Bridge Partners, Kingston Corporate Finance, Kingston Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Acceptance of the Offer by any such person will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. The Overseas Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.

Stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Offer.

The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Dealing and interests in the Company's securities

Save for the Sale and Purchase Agreement to which the Joint Offerors are parties, none of the Joint Offerors, their ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

INFORMATION OF THE JOINT OFFERORS

Upsky is an investment holding company incorporated in the BVI with limited liability on 25 March 2015. The sole beneficial owner and the sole director of Upsky is Mr. Chen Jiarong ("**Mr. Chen**"). Mr. Chen is the assistant to the president of a real estate development company in the PRC, which is a private company owned by Mr. Chen's family. Mr. Chen holds a Bachelor of Arts Degree from the University of British Columbia in Canada.

Metro Victory is an investment holding company incorporated in the BVI with limited liability on 3 December 2014. Metro Victory is owned as to 55% by Mr. Lau Kan Sum ("**Mr. Lau**") (who is also the sole director) and as to 45% by Ms. Lau Chau In. Mr. Lau is the chairman of a financial management company in the PRC, which is a private company owned by Mr. Lau's family. Mr. Lau holds a Bachelor of Science Degree in Business Administration from the Boston University in the United States of America. Ms. Lau Chau In holds a Bachelor Degree of Business Administration from The George Washington University in the United States of America. She is the sister of Mr. Lau.

Polaris is an investment holding company incorporated in the BVI with limited liability on 28 April 2015. The sole beneficial owner and the sole director of Polaris is Mr. Liu Gary Wei ("**Mr. Liu**"). Mr. Liu is the founder and chairman of a private investment management company in the PRC. He holds a Bachelor of Arts Degree from the Boston University in the United States of America.

Each of the Joint Offerors did not carry on any business since its incorporation until the entering of the Sale and Purchase Agreement and the transactions in connection therewith.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the "Letter from the Board" to this Composite Document. Financial information of the Group and the Remaining Group is set out in Appendices II and III to this Composite Document, respectively. General information of the Group is set out in Appendices IV to this Composite Document.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE COMPANY

Following the close of the Offer, the Joint Offerors intend that the Group will continue its principal business of recruitment advertising. However, the Joint Offerors will conduct a review 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. Subject to the results of the review, the Joint Offerors may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. However, as at the Latest Practicable Date, no such investment or business opportunities has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, the Joint Offerors have no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Joint Offerors intend to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer.

The directors of the Joint Offerors and the new Directors (who will be nominated by the Joint Offerors and appointed as Directors) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of eight Directors, comprising two executive Directors, being Mr. Lau Chuk Kin and Ms. Lam Mei Lan; three non-executive Directors, being Mr. Wan Siu Kau, Mr. Lee Ching Ming, Adrian, and Mr. Peter Stavros Patapios Christofis; and three independent non-executive Directors, being Ms. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David.

All current Directors have tendered their resignations to the Board on the Sale and Purchase Completion to take effect on the earliest time permitted under the Takeovers Code.

To ensure that there will be continuity in the management of business, both Mr. Lau Chuk Kin and Ms. Lam Mei Lan (being existing executive Directors) shall remain as directors of the operating subsidiaries of the Company and all terms and conditions (including duration of the contracts) of the employment contracts of Mr. Lau Chuk Kin and Ms. Lam Mei Lan remain the same.

The Joint Offerors at present intend to appoint Mr. Liu, Ms. Chan Pak Yi and Mr. Tsang Hing Bun as new executive Directors; Mr. Yiu Yu Cheung as new non-executive Director; and Mr. Leung Siu Kee, Mr. William Keith Jacobsen and Mr. Au Yeung Chi Hang, Jimmy as new independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

The biographical information of the new Directors is set out below:

Executive Directors

Mr. Liu, aged 26 and please refer to the section headed "Information of the Joint Offerors for Mr. Liu's biographical information.

Ms. Chan Pak Yi ("Ms. Chan"), aged 26, is currently the company secretary in HeungKong Group Limited, a private enterprise in the PRC. Ms. Chan holds a Master Degree of Commendation in International Finance from Nottingham Trent University in England, and a Bachelor Degree of Accounting and Finance from Nottingham Trent University in England.

Mr. Tsang Hing Bun ("Mr. Tsang"), aged 36, is currently the chief financial officer and company secretary of a company listed on the Main Board of the Stock Exchange. Mr. Tsang holds a Bachelor Degree of Social Science from the Chinese University of Hong Kong and a Master of Science Degree in Finance from City University of Hong Kong. Mr. Tsang is a member of The Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He was also admitted as an associate member of the Institute of Chartered Secretaries and Administrators on 14 June 2010. He was granted the title of financial risk manager by Global Association of Risk Professionals on 14 April 2010.

Non-executive Director

Mr. Yiu Yu Cheung ("Mr. Yiu"), aged 32, obtained a Bachelor of Arts degree from Simon Fraser University in Canada in 2006. Mr. Yiu has experience in banking and securities industry. He joined OSK Securities Hong Kong Limited from November 2009 to July 2012, and his last position was assistant vice president of retail sales division. Mr. Yiu later joined RHB OSK Securities Hong Kong Limited from August 2012 to September 2015, and he was vice president of business department.

Independent non-executive Directors

Mr. Leung Siu Kee ("Mr. Leung"), aged 38, is currently an independent non-executive Director of China Chuanglian Education Group Limited (stock code: 2371). Mr. Leung obtained his bachelor degree of Business Administration majoring in Accounting at the Hong Kong University of Science and Technology with first honour. He has extensive accounting knowledge as he had worked in two international accounting firms for 5 years, mainly to provide auditing and business assurance services. Afterwards, Mr. Leung has devoted to develop his career in corporate finance and corporate restructuring businesses. Currently, Mr. Leung is a non-practising member of the Hong Kong Institute of Certified Public Accountants and has been qualified for practice.

Mr. William Keith Jacobsen ("Mr. Jacobsen"), aged 48, is currently the managing director of a licensed corporation to advise on corporate finance matters. Mr. Jacobsen is an executive director of Auto Italia Holdings Limited (formerly known as Wo Kee Hong (Holdings) Limited, stock code: 720); a non-executive director of Madex International (Holdings) Limited (stock code: 231) and Huge China Holdings Limited (formerly known as Harmony Asset Limited, stock code: 428); and also an independent non-executive director of abc Multiactive Limited (stock code: 8131), and Sustainable Forest Holdings Limited (stock code: 723). He was also an independent non-executive director of King Stone Energy Group Limited (stock code: 663), Qingdao Holdings International Limited (formerly known as Hycomm Wireless Limited, stock code: 499) and E-Rental Car Company Limited (formerly known as Perception Digital Holdings Limited, stock code: 1822) and China Financial Leasing Group Limited (stock code: 2312) for the period from 26 September 2008 to 30 September 2011, from 20 June 2008 to 27 September 2014, from 7 January 2013 to 29 August 2014 and from 1 February 2013 to 29 April 2015, respectively. He obtained a Bachelor of Laws degree from the University of Hong Kong and a Master of Business Administration from the University of British Columbia.

Mr. Au Yeung Chi Hang, Jimmy ("Mr. Au Yeung"), aged 36, is currently the chief financial officer and company secretary of Tesson Holdings Limited (formerly known as Kith Holdings Limited, stock code: 1201). Mr. Au Yeung was an Associate Director of an international accounting firm and a member of CPA Australia. He is also a non-practising member of the Hong Kong Institute of Certified Public Accountants. Mr. Au Yeung received a Bachelor of Commerce degree from the University of Melbourne, Australia. He has over 13 years of experience in accounting, corporate finance and financial advisory.

FURTHER TERMS OF THE OFFER

Your attention is drawn to the further terms of the Offer, including procedures for acceptance, settlement and the acceptance period, as set out in Appendix I to this Composite Document and the Form of Acceptance.

GENERAL

To ensure equality of treatment to all Independent Shareholders, those registered Independent Shareholders who hold any Offer Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer. The attention of Independent Shareholders with registered addresses in jurisdiction outside Hong Kong is drawn to the section headed "Overseas Shareholders" in Appendix I to this Composite Document.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company, or in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of the Company. None of the Joint Offerors, the Company, Bridge Partners, Kingston Corporate Finance, Kingston Securities, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer as set out in the "Letter from the Independent Financial Adviser" as contained in this Composite Document.

In considering what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
Bridge Partners Capital Limited
Monica Lin
Managing Director

Yours faithfully,
Kingston Securities Limited
Chu, Nicholas Yuk-yui
Director

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

1 September 2015

To the Independent Shareholders

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFER BY BRIDGE PARTNERS CAPITAL LIMITED AND KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES OF CINDERELLA MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)

INTRODUCTION

Reference is made to the Joint Announcement.

* *For identification purposes only*

On 9 July 2015, the Joint Offerors and the Company jointly announced that the Joint Offerors and the Vendors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors agreed to acquire and the Vendors agreed to sell the Sale Shares, representing approximately 55.015% of the existing issued share capital of the Company, for a total consideration of HK$374,242,016, representing HK$2.038 per Sale Share.

The Sale and Purchase Completion took place on 25 August 2015. Upon the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with any of them own a total of 183,632,000 Shares, representing approximately 55.015% of the existing issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a 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). Bridge Partners and Kingston Securities are jointly making the Offer for and on behalf of the Joint Offerors.

The purpose of this letter is to provide you with, among other things, information relating to the Group and the Offer.

THE MANDATORY UNCONDITIONAL CASH OFFER

The following information about the Offer is based on the letter from Bridge Partners and Kingston Securities contained in this Composite Document. The Offer is being made jointly by Bridge Partners and Kingston Securities on behalf of the Joint Offerors in compliance with the Takeovers Code on the terms and conditions set out in this Composite Document and in the accompanying Form of Acceptance on the following basis:

For each Offer Share. . . . . HK$2.038 in cash

The Offer Price of HK$2.038 per Offer Share under the Offer is the same as the purchase price per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement.

You are advised to refer to the letter from Bridge Partners and Kingston Securities contained in this Composite Document, the further terms of the Offer and procedures for acceptance set out in Appendix I to this Composite Document and the accompanying Form of Acceptance for further details and procedures for acceptance and settlement of the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date:

	No. of Shares	*Approximate %*
Joint Offerors		
Upsky	91,816,000	27.508
Metro Victory	45,908,000	13.754
Polaris	45,908,000	13.754
Subtotal of the Joint Offerors and parties acting in concert with any of them	183,632,000	55.015
The Directors *(Note)*	3,341,000	1.001
Subtotal	186,973,000	56.016
Public Shareholders	146,811,000	43.984
Total	333,784,000	100.000

Note: These Shares comprise 2,400,000 Shares held by Ms. Lam Mei Lan (an executive Director), 150,500 Shares held by Mr. Lee Ching Ming, Adrian (a non-executive Director), 670,500 Shares held by Mr. Peter Stavros Patapios Christofis (a non-executive Director), and 120,000 Shares held by Mr. Cheng Ping Kuen, Franco (an independent non-executive Director).

INFORMATION ON THE JOINT OFFERORS

Your attention is drawn to the section headed "Information of the Joint Offerors" in the letter from Bridge Partners and Kingston Securities contained in this Composite Document for details.

INFORMATION OF THE GROUP

The Group was principally engaged in advertising media business, specifically recruitment magazine advertising and in-flight magazine advertising, and investment holding. 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. CinMedia, Easking and their respective subsidiaries are principally engaged in the inflight magazine advertising business. Completion of the Disposal took place on 25 August 2015. Following completion of the Disposal, the Remaining Group is principally engaged in recruitment advertising and investment holding.

The 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 Group has distributed free publications dedicated to recruitment advertising in Hong Kong on a regular basis. The 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 Group also operates an English-Chinese bilingual website, recruitonline.com, which aims to provide a personalised solution to job seekers and recruitment advertisers located in Hong Kong.

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 the Hong Kong Half-yearly Economic Report 2013 issued by the Economic Analysis and Business Facilitation Unit of Hong Kong (a unit which reports to the Financial Secretary of Hong Kong with mission to provide quality analysis and advice to the government on a wide range of economic matters and to take forward business facilitation initiatives aiming to improve the business environment of Hong Kong) in August 2013, there were about 220,000 part-time employees in Hong Kong in 2012. These part-time and temporary jobs (the "Interim 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 two staff for the provision of job placement services. The Remaining Group had experience in providing job placement services in China since 2007. Other than staff costs, the Remaining Group does not expect it would incur any other significant costs for such services.

Your attention is drawn to the financial information of the Group and the Remaining Group set out in Appendices II and III to this Composite Document respectively.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE COMPANY

Your attention is drawn to the section headed "Intention of the Joint Offerors in relation to the Company" in the letter from Bridge Partners and Kingston Securities contained in this Composite Document for details.

The Board notes and understands the intention of the Joint Offerors, which is set out under the sections headed "Intention of the Joint Offerors in relation to the Company" and "Maintaining the listing status of the Company" in the letter from Bridge Partners and Kingston Securities contained in this Composite Document. The Joint Offerors intend that the Group will continue its principal business of recruitment advertising and will maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer. Further, the Joint Offerors have no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to re-deploy the assets of the Group other than those in its ordinary course of business.

The Board will co-operate and provide support to the Joint Offerors as regards to the Joint Offerors' intention regarding the Group and will continue to act in the best interests of the Group and the Shareholders as a whole.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of eight Directors, comprising two executive Directors, being Mr. Lau Chuk Kin and Ms. Lam Mei Lan; three non-executive Directors, being Mr. Wan Siu Kau, Mr. Lee Ching Ming, Adrian and Mr. Peter Stavros Patapios Christofis; and three independent non-executive Directors, being Ms. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David.

All current Directors have tendered their resignation to the Board on the Sale and Purchase Completion to take effect from the earliest time permitted under the Takeovers Code.

To ensure that there will be continuity in the management of the Remaining Group's business, both Mr. Lau Chuk Kin and Ms. Lam Mei Lan (being existing executive Directors) shall remain as directors of the Remaining Group's operating subsidiaries and all terms and conditions (including duration of the contracts) of the employment contracts of Mr. Lau Chuk Kin and Ms. Lam Mei Lan remain the same.

As disclosed in the letter from Bridge Partners and Kingston Securities contained in this Composite Document, the Joint Offerors at present intend to appoint Mr. Liu Gary, Wei, Ms. Chan Pak Yi and Mr. Tsang Hing Bun as new executive Directors; Mr. Yiu Yu Cheung as new non-executive Director; and Mr. Leung Siu Kee, Mr. William Keith Jacobsen and Mr. Au Yeung Chi Hang, Jimmy as new independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

Please refer to the letter from Bridge Partners and Kingston Securities contained in this Composite Document for the biographical information of the proposed Directors.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

As stated in the letter from Bridge Partners and Kingston Securities contained in this Composite Document, the Joint Offerors intend to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer. The directors of the Joint Offerors and the new Directors (who have been nominated by the Joint Offerors and will be appointed as Directors) have undertaken to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the non-executive Directors and independent non-executive Directors, namely, Mr. Lee Ching Ming, Adrian, Mr. Peter Starvros Patapios Chrisofis, Mrs. Ling Lee Ching Man Eleanor, Mr. Cheng Ping Kuen, Franco, Mr. Ho David but excluding Mr. Wan Siu Kau who has an equity interest in ER2, has been established to make recommendations to the Independent Shareholders as to the fairness and reasonableness of the Offer and as to acceptance of the Offer.

BOSC International has been appointed with the approval of the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee as to the fairness and reasonableness of the Offer and as to acceptance of the Offer.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee on pages 22 to 23 of this Composite Document, which sets out its recommendations to the Independent Shareholders in relation to the Offer; and (ii) the letter from the Independent Financial Adviser on pages 24 to 46 of this Composite Document, which sets out its advice to the Independent Board Committee as to the fairness and reasonableness of the Offer and as to acceptance of the Offer, and the principal factors and reasons it has considered before arriving at its advice.

ADDITIONAL INFORMATION

Please refer to the letter from Bridge Partners and Kingston Securities set out in this Composite Document as well as the appendices to this Composite Document and the accompanying Form of Acceptance for information relating to, among other things, the Offer, the acceptance, settlement procedures of the Offer and the making of the Offer to the Shareholders and its related taxation.

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

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

(continued in Bermuda with limited liability)
(Stock code: 550)

1 September 2015

To the Independent Shareholders

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFER BY BRIDGE PARTNERS CAPITAL LIMITED AND KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES OF CINDERELLA MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)

We refer to the Composite Document dated 1 September 2015 jointly issued by the Joint Offerors and the Company, of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed as the members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance of the Offer.

BOSC International has been appointed as the Independent Financial Adviser to advise us in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration, are set out in the letter from the Independent Financial Adviser on pages 24 to 46 of the Composite Document.

We also wish to draw your attention to the letter from Bridge Partners and Kingston Securities set out on pages 7 to 15 of this Composite Document, the letter from the Board set out on pages 16 to 21 of this Composite Document and the appendices to this Composite Document.

* *For identification purposes only*

Having taken into account the advice of BOSC International, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer. Independent Shareholders are recommended to read the letter from the Independent Financial Adviser.

The Independent Shareholders who would like to realise part or all of their investments in the Shares should closely monitor the market prices of the Shares during the period of the Offer. In the event that the market price of the Shares exceeds the Offer Price during the period of the Offer and the sale proceeds (net of transaction costs) exceed the net amounts receivable under the Offer, the Independent Shareholders should consider to sell their Shares in the open market instead of accepting the Offer.

For those Independent Shareholders who wish to retain part or all of their investments in the Shares are reminded to pay attention that the Remaining Group is principally engaged in the remaining business (being recruitment advertising and investment holding) after the change in control of the Company, and should consider carefully the intentions of the Joint Offerors in relation to the Remaining Group after the close of the Offer.

Yours faithfully,
The Independent Board Committee

Mr. Lee Ching Ming, Adrian
Non-executive Director

Mr. Peter Stavros Patapios Christofis
Non-executive Director

Mrs. Ling Lee Ching Man, Eleanor
Independent non-executive Director

Mr. Cheng Ping Kuen, Franco
Independent non-executive Director

Mr. Ho David
Independent non-executive Director

The following is the letter of advice from BOSC International to the Independent Board Committee and the Independent Shareholders in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.

上銀國際有限公司
BOSC International Company Limited

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

1 September 2015

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY BRIDGE PARTNERS CAPITAL LIMITED AND KINGSTON SECURITIES LIMITED FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL OF THE ISSUED SHARES OF CINDERELLA MEDIA GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer, details of which are set out in composite offer and response document jointly issued by the Joint Offerors and the Company (the "**Composite Document**") dated 1 September 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The Independent Board Committee, comprising all the non-executive Directors and the 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 established to make recommendations to the Independent Shareholders as to the fairness and reasonableness of the Offer and as to acceptance of the Offer.

BASIS OF OUR OPINION

In formulating our opinion, we have relied upon the information, facts and representations supplied or made available to us by the Company, the Directors, 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 so as at the Latest Practicable Date and the Company will notify the Shareholders of any material changes to such information, facts and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have assumed that all statements and information supplied, and the opinions and representations made or provided to us by the Company, the Directors and the representatives of the Company have been reasonably made after due and careful enquiry.

As stated in Appendix IV to the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Composite Document (other than those relating to the Joint Offerors and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the Joint Offerors and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

As stated in Appendix V to the Composite Document, all directors of the Joint Offerors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group and the Remaining Group and the Vendors and parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document 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 Composite Document 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 or any of its subsidiaries or associates.

THE OFFER

On 9 July 2015, the Joint Offerors and the Company jointly announced that on 1 June 2015, the Vendors and the Joint Offerors entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors conditionally agreed to acquire and the Vendors conditionally agreed to sell an aggregate of 183,632,000 Sale Shares, representing approximately 55.015% of the issued share capital of the Company as at the Latest Practicable Date, at a total consideration of HK$374,242,016 (representing HK$2.038 per Sale Share) in cash.

The Sale and Purchase Completion took place on 25 August 2015. Upon the Sale and Purchase Completion, the Joint Offerors and parties acting in concert with any of them own a total of 183,632,000 Shares, representing 55.015% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a 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).

Bridge Partners and Kingston Securities are making, on behalf of the Joint Offerors, the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share . . . . HK$2.038 in cash

As at the Latest Practicable Date, there were 333,784,000 Shares in issue. The Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares.

Value of the Offer

Immediately after the Sale and Purchase Completion and on the basis that there are 150,152,000 Shares subject to the Offer and based on the Offer Price of HK$2.038 per Share, the value of the Offer is HK$306,009,776.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Information on the Remaining Group

1.1 Principal business of the Remaining Group

Immediately prior to completion of the Disposal, the Group was principally engaged in advertising media business, including recruitment magazine advertising and inflight magazine advertising, and investment holding. 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. CinMedia, Easking and their subsidiaries are principally engaged in the inflight magazine advertising business. For details of the Disposal, please refer to the Disposal Circular.

Completion of the Disposal took place on 25 August 2015. Following completion of the Disposal, 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 in Hong Kong, 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. In addition to the recruitment advertising business, the Remaining Group held two investment properties which are office premises located in Kwun Tong and Shanghai as at the Latest Practicable Date. The office premises currently are generating steady stream of rental income.

The revenue of the Remaining Group is mainly derived from advertising income generated from the above two magazines and the 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. 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 chain restaurants, 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.

Major suppliers of the Remaining Group are printing companies for the recruitment magazines. Major operating costs of the recruitment magazines and the website are printing and distribution costs. As at the Latest Practicable Date, the Remaining Group had around 50 staff.

1.2 Unaudited pro forma financial performance of the Remaining Group

The unaudited pro forma consolidated profit or loss of the Remaining Group for the year ended 31 December 2014 (as if the Disposal had taken place on 1 January 2014) as extracted from Appendix III to the Composite Document is set out as follows:

	For the year ended 31 December 2014 ("FY2014") *HK$'000*
Continuing operations	
Revenue	59,626
Direct operating costs	(16,531)
Gross profit	43,095
Other revenue and net income	3,138
Selling and distribution costs	(16,042)
Administrative expenses	(14,081)
Other expenses	(78)
Finance costs	(66)
Loss on disposal of subsidiaries	(61,744)
Loss before income tax	(45,778)
Income tax expense	(2,353)
Loss for the year attributable to owners of the Company	(48,131)
Discontinued operations	
Profit for the year attributable to owners of the Company	60,953

Continuing operations

The continuing operations for FY2014 set out in the table above represented the Remaining Group's Recruit magazine and website advertising business and investment holding. As if the Disposal had taken place on 1 January 2014, the Remaining Group would record pro forma gross profit margin of approximately 72.3% for FY2014, which is significantly higher than gross profit margin of approximately 20.8% of the Group immediately before completion of the Disposal for the same year, the business of which comprised the said continuing operations (namely Recruit magazine and website advertising business and investment holding) and also inflight magazine advertising business. As advised by the management of the Company, the material difference was in line with the fact that the gross profit margin of the recruitment magazine advertising business is generally higher than that of the inflight magazine advertising business which was mainly due to different cost structures of these two businesses. In particular, the direct operating cost margin of the inflight magazine advertising business was significantly higher than that of the recruitment advertising business since the major direct operating cost of the inflight magazine advertising business included a substantial amount of fees payable to the airlines where the inflight magazines were distributed comprising of (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, while the major direct operating costs of the recruitment magazine advertising business were printing and production staff costs.

As if the Disposal had taken place on 1 January 2014, the Remaining Group would record pro forma loss attributable to owners of the Company from continuing operations of approximately HK$48.1 million, which was primarily due to the recognition of pro forma loss arising from the Disposal of approximately HK$61.7 million (the "**Pro Forma Loss on Disposal**") as if the Disposal had been completed on 1 January 2014 which is derived at with reference to the consideration of the Disposal of HK$12.5 million less the sum of (i) the aggregate net assets of the Disposal Group of approximately HK$18.5 million as at 1 January 2014; (ii) the amount of the shareholders' loans owing by the Disposal Group to Recruit (BVI) of approximately HK$56.6 million as at 1 January 2014; and (iii) the estimated professional fee directly attributable to the Disposal of approximately HK$2.5 million, and plus the release of exchange reserve of the Disposal Group as at 1 January 2014 upon the Disposal of approximately HK$3.4 million. Details of the Pro Forma Loss on Disposal is set out in Note 8 of Appendix III to the Composite Document.

Excluding the above one-off and non-recurring Pro Forma Loss on Disposal of approximately HK$61.7 million, the Remaining Group would record an adjusted pro forma profit attributable to owners of the Company from continuing operations of approximately HK$13.6 million for FY2014 (the "**Adjusted Pro Forma Profit**"). Based on the Adjusted Pro Forma Profit, the Remaining Group would record a pro forma net profit margin of approximately 22.8% for FY2014, which is significantly higher than the net profit margin of approximately 3.8% of the Group immediately before completion of the Disposal for the same year, the business of which comprised the said continuing operations (namely Recruit magazine and website advertising business and investment holding) and also inflight magazine advertising business.

It is noted from Appendix III to the Composite Document, as if the Disposal had taken place on 30 June 2015, the Remaining Group would realise a gain of approximately HK$0.4 million on the Disposal. Based on Appendix III to the Composite Document, we understand that the difference in the Pro Forma Loss on Disposal of approximately HK$61.7 million and the aforesaid gain on the Disposal of approximately HK$0.4 million arises from the different balance sheet date used for compiling such pro forma financial information, in particular the Pro Forma Loss on Disposal was derived based on the Disposal Group's carrying amounts of assets/liabilities as at 1 January 2014 (with calculation set out in Note 8 of Appendix III to the Composite Document) while the aforesaid gain on the Disposal of approximately HK$0.4 million was derived based on those as at 31 May 2015 and taking into account the net movement of net liabilities of the Disposal Group in June 2015 (with calculation set out in Note 4 of Appendix III to the Composite Document).

Discontinued operations

The discontinued operations for FY2014 set out in the table above represented the printing business segment of the Group. 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, and therefore was presented as discontinued operations in FY2014. The profit of 1010 Printing before distribution of HK$39.7 million and the gain on distribution of HK$37.0 million were classified as profit from discontinued operations (including that attributable to non-controlling interests).

1.3 Unaudited pro forma financial position of the Remaining Group

The unaudited pro forma consolidated assets and liabilities of the Remaining Group as at 30 June 2015 as if the Disposal had been completed on 30 June 2015 as extracted from Appendix III to the Composite Document are set out as follows:

	As at 30 June 2015
	HK$'000
Non-current assets	
Property, plant and equipment	3,718
Prepaid land lease payments	5,578
Investment properties	29,266
	38,562
Current assets	
Trade and other receivables and deposits	11,618
Financial assets at fair value through profit or loss	855
Tax recoverable	3,186
Cash and cash equivalents	90,100
	105,759
Total assets	**144,321**
Current liabilities	
Trade and other payables	5,793
Provision for taxation	3,887
	9,680
Total liabilities	**9,680**
Total equity	**134,641**

As if the Disposal had been completed on 30 June 2015, the pro forma total assets of the Remaining Group would mainly comprise cash and cash equivalents (accounting for approximately 62.4% of total assets). The Remaining Group would not have any non-current liabilities and record pro forma gearing ratio (calculated on the basis of total interest-bearing debts over total equity) of nil.

1.4 Future prospects and outlook of the Remaining Group

As stated in the letter from the Board as set out in the Composite Document, going forward, the Remaining Group has the following business development plan which has 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.

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

The Remaining Group commenced organising job fairs since 2012. For each of 2012, 2013 and 2014, the Remaining Group organised four, six and 11 job fairs respectively, equivalent to an average of seven job fairs each year. For 2015 up to the Latest Practicable Date, the Remaining Group has organized nine job fairs.

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 management of the Remaining Group plans to hold an average of 10 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. Through organising more job fairs and marketing campaigns, the Remaining Group intends to enhance the awareness and the recognition of its "Recruit" and "Like" brand names.

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

The Group's recruitment magazine advertising business had been focused on retail, catering and tourism industries and the Group had not been actively searching for business opportunities to enhance its penetration into the part-time and temporary job market until 2015, when the Group noted the advertising income generated from the aforementioned industries had become stable. Since then, the management of the Group has devoted more resources into studying the market needs and developing business plans for the part-time and temporary job sector. The Remaining Group was aware of the potential growth in the part-time and temporary job sector and has thus dedicated a category in the "Recruit" magazine and the website for advertising part-time and temporary jobs. The Remaining Group intends to actively promote the advertisement for such job sector by assigning specific column in the recruitment magazines and the website and setting up separate booths at job fairs for them.

Leveraging on the existing database, customers relationships and the Remaining Group's experience in providing job placement services in China, the Remaining Group intends to provide placement services for part-time and temporary 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 part-time and temporary jobs. The Remaining Group plans to set up a team comprising two staff for the provision of job placement services.

We have conducted a research on the part-time employment market in Hong Kong and based on the Quarterly Report on General Household Survey (First Quarter 2015) issued by the Census and Statistic Department of Hong Kong (the "**CSD**"), we note that the number of part-time employees in Hong Kong (which is defined to include persons working less than 35 hours during the seven days before enumeration due to reasons other than slack work, vacation, material shortage, mechanical breakdown and inability to find a full-time job) amounted to approximately 299,500 in the first quarter of 2015 which represents an approximately 16.2% growth rate over the same period in the previous year, which has indicated, to a certain extent, the growth potential in the part-time and temporary job advertising business.

On top of the above, we have also conducted a research on the full-time employment market in Hong Kong and the growth of the Hong Kong economy so as to assess the future prospects of the local recruitment market, as we believe such factors are correlated to the recruitment market in Hong Kong. Based on the Quarterly Report on General Household Survey issued by the CSD for first quarter 2015 in May 2015 and first quarter 2014 in May 2014, we note that the number of full-time employees in Hong Kong (which is defined to include individuals that have worked 35 hours or more during the seven days before enumeration) amounted to approximately 3,204,500 in the first quarter of 2015 which represents a growth rate of approximately 6.8% over the same period in the previous year. Additionally, based on the Gross Domestic Product (Quarterly) (Second Quarter 2015) report issued by the CSD in August 2015, the gross national product of Hong Kong (the "**GDP**") amounted to approximately HK$2,255.6 billion in 2014 which represents a growth rate of approximately 5.5% over the previous year and the GDP for the first and second quarter of 2015 amounted to approximately HK$573.6 billion and HK$566.2 billion respectively which represents growth rates of approximately 7.0% and 7.7% over the same period of the previous year, respectively. Given the historical growth in the Hong Kong employment market and the Hong Kong economy, we believe that the outlook of the recruitment market in Hong Kong would remain stable in the near future.

Despite the stable outlook of the local recruitment market, the Independent Shareholders should note that the future performance of the Remaining Group may be affected by factors such as (a) the ability of the Remaining Group to execute the above mentioned business plan as expected; and (b) the potential change of the senior management of the Remaining Group.

2. Information on and intention of the Joint Offerors in relation to the Company

2.1 Information on the Joint Offerors

Upsky is an investment holding company incorporated in BVI with limited liability on 25 March 2015. The sole beneficial owner and the sole director of Upsky is Mr. Chen Jiarong ("**Mr. Chen**"). Mr. Chen is the assistant to the president of a real estate development company in the PRC, which is a private company owned by Mr. Chen's family. Mr. Chen holds a Bachelor of Arts Degree from the University of British Columbia in Canada.

Metro Victory is an investment holding company incorporated in the BVI with limited liability on 3 December 2014. Metro Victory is owned as to 55% by Mr. Lau Kan Sum ("**Mr. Lau**") (who is also the sole director) and as to 45% by Ms. Lau Chau In. Mr. Lau is the chairman of a financial management company in the PRC, which is a private company owned by Mr. Lau's family. Mr. Lau holds a Bachelor of Science Degree in Business Administration from the Boston University in the United States of America. Ms. Lau Chau In holds a Bachelor Degree of Business Administration from The George Washington University in the United States of America and she is the sister of Mr. Lau.

Polaris is an investment holding company incorporated in the BVI with limited liability on 28 April 2015. The sole beneficial owner and the sole director of Polaris is Mr. Liu Gary Wei. Mr. Liu Gary Wei is the founder and chairman of a private investment management company in the PRC. He holds a Bachelor of Arts Degree from the Boston University in the United States of America.

Each of the Joint Offerors did not carry on any business since its incorporation until the entering of the Sale and Purchase Agreement and the transactions in connection therewith.

2.2 Intention of the Joint Offerors in relation to the Company

As set out in the letter from Bridge Partners and Kingston Securities in the Composite Document, following the close of the Offer, the Joint Offerors intend that the Remaining Group will continue its principal business of recruitment advertising. However, the Joint Offerors will conduct a review of the business activities and assets of the Remaining Group for the purpose of formulating business plans and strategies for the future business development of the Remaining Group. Subject to the results of the review, the Joint Offerors may explore other business opportunities for the Remaining Group and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company. However, as at the Latest Practicable Date, no such investment or business opportunities has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Remaining Group. Further, the Joint Offerors have no intention to discontinue the employment of the employees (save for the change in the composition of the Board as mentioned below) or to dispose of or re-deploy the assets of the Remaining Group other than those in its ordinary course of business.

2.3 Proposed change of Board composition

The Board is currently made up of eight Directors, comprising two executive Directors, being Mr. Lau Chuk Kin and Ms. Lam Mei Lan; three non-executive Directors, being Mr. Wan Siu Kau, Mr. Lee Ching Ming, Adrian, and Mr. Peter Stavros Patapios Christofis; and three independent non-executive Directors, being Ms. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David.

All current Directors have tendered their resignation to the Board on the Sale and Purchase Completion to take effect on the earliest time permitted under the Takeovers Code.

To ensure that there will be continuity in the management of business, both Mr. Lau Chuk Kin and Ms. Lam Mei Lan (being existing executive Directors) shall remain as directors of the operating subsidiaries of the Company and all terms and conditions (including duration of the contracts) of the employment contracts of Mr. Lau Chuk Kin and Ms. Lam Mei Lan remain the same.

The Joint Offerors at present intend to appoint Mr. Liu, Ms. Chan Pak Yi and Mr. Tsang Hing Bun as new executive Directors; Mr. Yiu Yu Cheung as new non-executive Director; and Mr. Leung Siu Kee, Mr. William Keith Jacobsen and Mr. Au Yeung Chi Hang, Jimmy as new independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules. For details of the biographical information of the new Directors, please refer to the section headed "Proposed Change of Board Composition" in the letter from Bridge Partners and Kingston Securities contained in the Composite Document.

Based on our review of the biographical information of the proposed new Directors, we note that the majority of them have financial and/or management experience, and having considered that Mr. Lau Chuk Kin and Ms. Lam Mei Lan (being existing executive Directors) will remain as directors of the operating subsidiaries of the Company to ensure continuity in the management of the business, we believe the proposed management team of the Remaining Group has the experience in running business of the Remaining Group.

2.4 Maintaining the listing status of the Company

As set out in the letter from Bridge Partners and Kingston Securities in the Composite Document, the Joint Offerors intend to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer. The directors of the Joint Offerors and the new Directors (who have been nominated by the Joint Offerors and will be appointed as Directors) have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

3. Offer Price

The Offer is being made by Bridge Partners and Kingston Securities, on behalf of the Joint Offerors, at a price of HK$2.038 per Offer Share, which is the same as the purchase price per Sale Share payable by the Joint Offerors under the Sale and Purchase Agreement.

The Offer Price of HK$2.038 per Offer Share represents:

(i) a discount of approximately 38.61% to the closing price of HK$3.32 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 34.26% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK$3.10 per Share;

(iii) a discount of approximately 23.38% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK$2.66 per Share;

(iv) a discount of approximately 15.79% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK$2.42 per Share;

(v) a premium of approximately 7.26% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK$1.90 per Share;

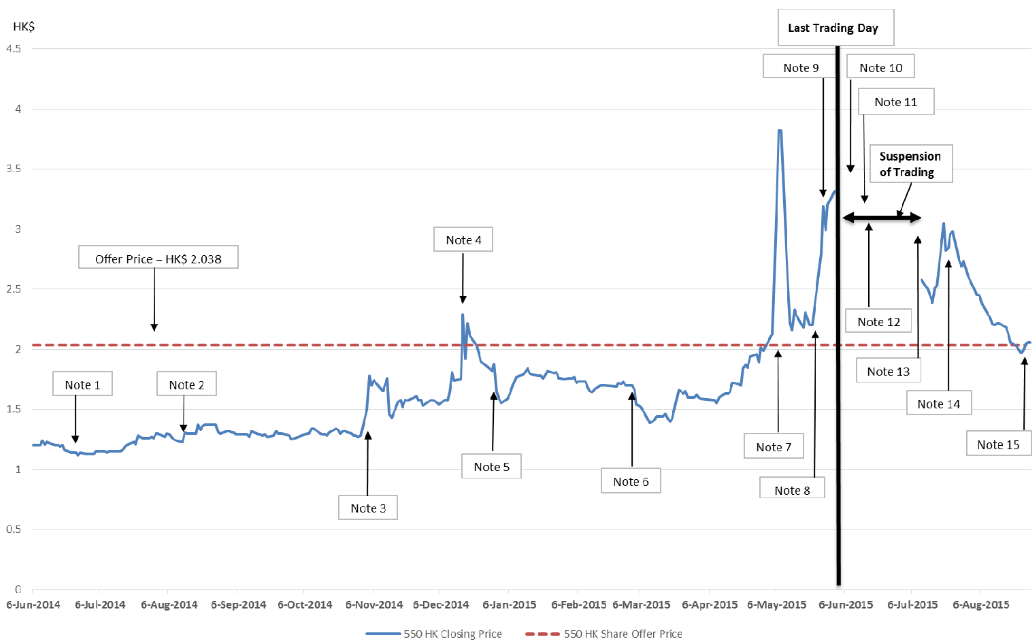
(vi) a premium of approximately 397.07% over the unaudited consolidated net asset value per Share of the Company of approximately HK$0.41 as at 30 June 2015;

(vii) a premium of approximately 409.5% over the unaudited pro forma net asset value per Share of the Remaining Group of approximately HK$0.40 as at 30 June 2015; and

(viii) a discount of approximately 1.07% to the closing price of the Shares on the Latest Practicable Date.

3.1 Historical price performance of the Shares

The chart below illustrates the closing price level of the Shares as quoted on the Stock Exchange from 2 June 2014 to 1 June 2015, being the Last Trading Day, (both days inclusive), being the twelve-month period immediately preceding the Last Trading Day, and from 10 July 2015, being the first trading day after the publication of the Joint Announcement, to the Latest Practicable Date (both days inclusive) (collectively the "**Review Period**") as follows:



Source: Website of the Stock Exchange

Notes:

1) The Company issued an announcement on 25 June 2014 to update on the profit warning announcement dated 30 April 2014 regarding the Group's profit for the six months ended 30 June 2014.

2) The Company issued the results announcement for the six months ended 30 June 2014 on 13 August 2014.

3) The Company issued an announcement pursuant to the Takeovers Code regarding the possible disposal of all equity interests in the Company held by the controlling Shareholder to an independent third party (the "**Proposal**") on 3 November 2014 (the "**First Proposal Announcement**").

4) The Company issued an announcement in relation to the trading halt pending the release of an announcement pursuant to the Takeovers code and then an announcement relating to the Proposal stating that the Proposal was in a preliminary stage and no formal or legally binding agreement had been entered into on 16 December 2014 (the "**Second Proposal Announcement**").

5) The Company issued an announcement on 30 December 2014 relating to the Proposal stating that the discussions in relation thereto had ceased.

6) The Company issued an announcement of the results for the year ended 31 December 2014 on 3 March 2015.

7) The Company issued an announcement on 5 May 2015 for the unusual share price and trading volume of the Shares confirming that the Board was not aware of any reasons for the increases in price and trading volume.

8) The Company issued a profit warning announcement relating to the expected significant decrease in profit for the six months ended 30 June 2015 on 22 May 2015.

9) The Company issued an announcement in relation to the trading halt pending the release of an announcement pursuant to the Takeovers Code and then an announcement regarding the possible disposal of all equity interests in the Company held by the controlling Shareholder to independent third parties (the "**Possible Disposal**") and the possible mandatory general offer for all the issued Shares (other than those already owned by or agreed to be acquired by the independent third parties and parties acting in concert with any of them) (the "**Possible Offer**") on 27 May 2015 (the "**Initial Announcement**").

10) The Company issued an announcement for suspension of trading from 2 June 2015 pending the release of an announcement pursuant to the Takeovers Code and in relation to inside information on 2 June 2015.

11) The Company issued an announcement in relation to the inside information that 中國南航集團文化傳媒股份有限公司 will not renew the exclusive advertising agreement with a wholly-owned subsidiary of the Company on 10 June 2015 (the "**Inside Information Announcement**").

12) The Company issued an announcement to update the details in relation to the Possible Disposal and the Possible Offer on 11 June 2015 (the "**Holding Announcement**")

13) The Company issued the Joint Announcement on 9 July 2015.

14) The Company issued the results announcement for the six months ended 30 June 2015 on 22 July 2015.

15) The Company issued an announcement in relation to the Sale and Purchase Completion, the Offer and the completion of the Disposal on 25 August 2015.

Pre-Announcement Period

As shown in the chart above, during the period from 2 June 2014 to 26 May 2015 (being the date immediately preceding the issue of the Initial Announcement) of the Review Period (the "**Pre-Announcement Period**"), the Shares closed below the Offer Price for most of the time except for (i) the sub-period around middle of December 2014; and (ii) the sub-period from beginning of May 2015 to the end of the Pre-Announcement Period. Based on public information available to us, we note that the Company issued the Second Proposal Announcement on 16 December 2014 and the closing price of the Shares rose to HK$2.29 on the same day and thus we believe that this price surge was most likely due to the market's speculation on the Proposal. We also note that during the sub-period from the beginning of May 2015 to the end of the Pre-Announcement Period, the closing price of the Shares surged again, closing at HK$3.82 per Share on 7 May 2015 and 8 May 2015 respectively (being the highest closing price of the Shares as quoted on the Stock Exchange during the Pre-Announcement Period) and the Shares closed above the Offer Price in general during this sub-period. However, we are not aware of any other public information relating to such movement except that the Company issued an announcement on 5 May 2015 confirming that the Board was not aware of any reasons for the increases in price and trading volume.

We also note that the Company issued two profit warning announcements and two results announcements during the Pre-Announcement Period as set out above and the Share price was not significantly affected by these announcements.

We consider the price performance of the Shares during the Pre-Announcement Period is appropriate for us to assess the fairness and reasonableness of the Offer Price because we consider it being less distorted by the market's reactions and investors' speculation towards the Possible Disposal and the Possible Offer.

Post-Announcement Period

As shown in the chart above, during the interval of the Review Period from 27 May 2015 (being the date of the Initial Announcement) and up to the Latest Practicable Date (the "**Post-Announcement Period**"), the Share price closed in general at a level higher than the Offer Price and recorded the lowest and the highest closing price of the Shares as quoted on the Stock Exchange of HK$1.97 on 24 August 2015 and HK$3.05 on 20 July 2015, respectively.

During the sub-period from 27 May 2015 to 1 June 2015 (being the Last Trading Day), the Share price maintained at a level of around HK$3.00 and reached at HK$3.32 on 1 June 2015. The trading of the Shares was then suspended from 2 June 2015 to 9 July 2015 (being the date of the Joint Announcement), during which the Company issued the Inside Information Announcement and the Holding Announcement as detailed above. Resumption of trading of the Shares took place on 10 July 2015 and the Share price dropped and closed at HK$2.58 on the same date. As at the Latest Practicable Date, the closing price of the Shares was HK$2.06.

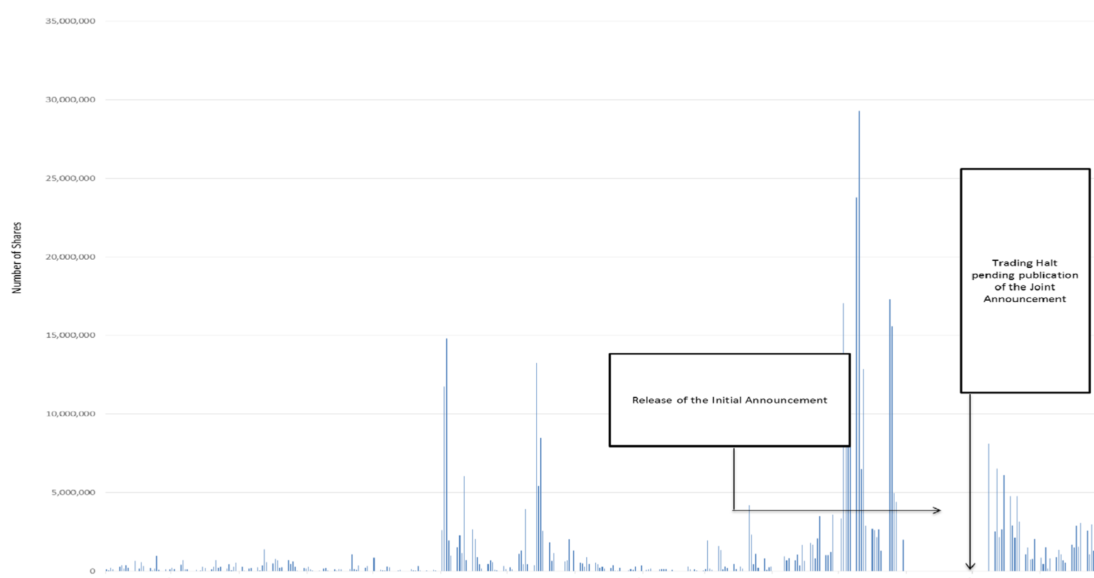
We consider that the relatively high closing prices of the Shares as compared to the Offer Price during most of the time of the Post-Announcement Period reflected the market reaction to the Offer. After taking into account the historical Share price performance, we consider that the relatively high Share price during most of the time of the Post-Announcement Period was supported by the Offer and thus there is uncertainty on the sustainability of the Share price momentum in the absence of the Offer.

We note that the Offer Price represents a discount with a range of approximately 15.79% to 34.26% to the average of the closing prices of the Shares as quoted on the Stock Exchange for each of the 5, 10 and 30 consecutive trading days up to and including the Last Trading Day, which we believe is most likely contributed by the price surges in May 2015 due to the investors' speculation on the Possible Disposal and the Possible Offer, and thus we have not taken into account the average closing Share price of such periods when assessing the Offer Price. Instead, we have made reference to the average closing price for a relatively longer period of the 90 consecutive trading days up to and including the Last Trading Day (which we consider to be appropriate to assess the Offer Price because it was less distorted by the market's reactions and investors' speculation towards the Possible Disposal and the Possible Offer) and note that the Offer Price represents a premium of approximately 7.26% over the average of the closing prices of the Shares of approximately HK$1.90 for such period.

Having considered that (i) the Offer Price was generally above the closing price of the Shares for most of the time of the Pre-Announcement Period, which period we consider is more appropriate in reflecting the fundamentals of the Company; (ii) the Offer Price represents a premium of approximately 30.6% over the average of the closing prices of the Shares as quoted on the Stock Exchange of approximately HK$1.56 during the Pre-Announcement Period; and (iii) the sustainability the Share price momentum during the Post-Announcement Period is uncertain and may not continue in the absence of the Offer, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

3.2 *Trading liquidity of the Shares*

The following chart shows the daily trading volume of the Shares during the Review Period.



The following table sets out the total trading volume of the Shares per month/period and the average daily trading volume of the Shares per month/period during the Review Period:

	Total trading volume for the month/period (Number of Shares)	Average daily trading volume for the month/period (Number of Shares)	Percentage of average daily trading volume to total number of Shares in issue as at the Latest Practicable Date *(Note 2)*	Percentage of average daily trading volume to total number of Shares held by public Shareholders as at the Latest Practicable Date *(Note 3)*
2014				
2-30 June	5,392,000	269,600	0.08%	0.18%
July	5,074,000	230,636	0.07%	0.16%
August	8,512,500	405,357	0.12%	0.28%
September	4,147,000	197,476	0.06%	0.13%
October	2,710,000	135,500	0.04%	0.09%
November	51,980,700	2,599,035	0.78%	1.77%
December	45,197,000	2,152,238	0.64%	1.47%
2015				
January	7,242,000	344,857	0.10%	0.23%
February	2,074,000	122,000	0.04%	0.08%
March	16,389,500	744,977	0.22%	0.51%
April	24,183,000	1,272,789	0.38%	0.87%
May	182,647,909	9,613,048	2.88%	6.55%
1 June *(Note 1)*	1,988,000	1,988,000	0.60%	1.35%
10 – 31 July	52,014,000	3,250,875	0.97%	2.21%
August up to and including the Latest Practicable Date	28,787,000	1,439,350	0.43%	0.98%

Source: Website of the Stock Exchange

Notes:

1) The trading of the Shares on the Stock Exchange was suspended from 2 June 2015 to 9 July 2015 (both days inclusive) pending the release of the Joint Announcement and trading of the Shares on the Stock Exchange was resumed on 10 July 2015.

2) Based on the 333,784,000 Shares in issue as at the Latest Practicable Date.

3) Based on the 146,811,000 Shares held by public Shareholders as at the Latest Practicable Date.

As illustrated in the table above, the average daily trading volume of the Shares has been thin in general prior to the release of the Initial Announcement as evidenced by the monthly/periodic average trading volume of the Shares as a percentage of the total number of the Shares in issue as at the Latest Practicable Date ranging from approximately 0.04% to 0.78% and as a percentage of the total number of the Shares held by public Shareholders as at the Latest Practicable Date ranging from approximately 0.09% to 1.77%. Furthermore, during the Pre-Announcement Period, the monthly/periodic average daily trading volume of the Shares as a percentage of the total number of the Shares in issue as at the Latest Practicable Date was all at or below 0.38% and as a percentage of the total number of the Shares held by public Shareholders as at the Latest Practicable Date was all at or below 0.87%, except for November and December 2014 during which the monthly average daily trading volume of the Shares as a percentage of the total number of the Shares in issue and as a percentage of the total number of the Shares held by public Shareholders increased materially, which we consider was most likely due to the market reaction towards the Proposal as announced in the First Proposal Announcement and the Second Proposal Announcement as observed above.

We note that the average daily trading volume of the Shares in May 2015 as a percentage of the total number of the Shares in issue and as a percentage of the total number of the Shares held by public Shareholders increased significantly. However, the average daily trading volume for each of June and July 2015 and the period from 1 August 2015 up to the Latest Practicable Date as a percentage of the total number of the Shares in issue and as a percentage of the total number of the Shares held by public Shareholders dropped as compared to that of May 2015. We consider that the high average daily trading volume of the Shares in May 2015 was most likely due to the market reaction to the Possible Disposal and the Possible Offer and it is uncertain whether such trading momentum could be sustained in the absence of the Offer.

The Independent Shareholders, especially those with significant shareholdings in the Company, should note that if they wish to realise their investments in the Shares, they might not be able to dispose of the Shares in the market without exerting a downward pressure on the market price of the Shares which may be lower than the Offer Price. The Offer represents an alternative exit for the Independent Shareholders to realise their investments in the Shares at the Offer Price.

4. Comparison with comparable companies

To further assess the fairness and reasonableness of the Offer Price, we have adopted price-to-earnings ratio ("**P/E Ratio**") and price-to-book ratio ("**P/B Ratio**") analysis which are the two most commonly used benchmarks in valuing a company. As set out in the section above headed "1.1 Principal business of the Remaining Group" of this letter, the Remaining Group is principally engaged in recruitment advertising and investment holding, and the revenue of the Remaining Group is mainly derived from advertising income generated from its two free-distributed recruit advertising magazines targeting to white-collar job seekers in Hong Kong and also operates a website to provide a personalized solution to job seekers and recruitment advertisers located in Hong Kong.

We have conducted a search for companies the shares of which are listed on the Main Board of the Stock Exchange and which are primarily engaged in the same or similar business in Hong Kong with that of the Remaining Group. However, based on such criteria, we, on a best effort basis, have not identified any such company which we consider represents a comparable company to the Remaining Group. For readers' reference purpose, we have expanded our search scope to include companies which (i) have business of publication of magazines; and (ii) recorded at least 50% of revenue generated from advertising income based on the disclosures made in their respective latest published annual reports. Based on such criteria, we have identified seven companies (the "**Indirect Comparable Companies**") listed on the Main Board of the Stock Exchange which we consider to be exhaustive based on such criteria, with details set out below.

Company name	**Stock code**	**Principal business**	**Market capitalisation** *HK$'million* *(Note 1)*	**Net profit** HK$'million *(Note 1)*	**Net assets** HK'million *(Note 1)*	**P/E Ratio** (approximately times) *(Note 1)*	**P/B Ratio** (approximately times) *(Note 1)*
Hong Kong Economic Times Holding Limited	423.HK	Print and publishing of newspapers, magazines and books, provision of electronic financial and property market information services, provision of recruitment advertising and training services, and operation of portals in lifestyle focus	949	45.4	818.4	20.9	1.2
Sing Tao News Corporation Limited	1105.HK	Publishing and distribution of newspapers, magazines and books, trading of consumer products and licensing of a distribution right, and investment holding and property holding	1,251	114.2	2,056.0	10.6	0.6
Media Chinese International Limited	685.HK	Publishing, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language, and provision of travel and travel related services	3,374	243.6	1,625.5	13.8	2.1
Next Media Limited	282.HK	Printing and reprographic services, newspapers, books and magazine publishing and advertising, internet content provision and advertising	1,969	164.3	2,468.0	12.0	0.8
Beijing Media Corporation Limited ("**Beijing Media**")	1000.HK	Provision of newspaper, magazine and outdoor advertising services, printing and trading of print-related materials	1,225 *(Note 2)*	13.1	1,602.1	Not applicable *(Note 3)*	0.8

Company name	Stock code	Principal business	Market capitalisation *HK$'million* *(Note 1)*	Net profit HK$'million *(Note 1)*	Net assets HK'million *(Note 1)*	P/E Ratio (approximately times) *(Note 1)*	P/B Ratio (approximately times) *(Note 1)*
SEEC Media Group Limited	205.HK	Provision of advertising agency services and organizing conferences and events and sale of books and magazines	1,275	(121.2)	374.8	Not applicable	3.4
Evergrande Health Industry Group Limited ("**Evergrande**") (formerly known as New Media Group Holdings)	708.HK *(Note 4)*	Provision of services on publication of advertisements, sales of magazines and books, digital business services and provision of magazine content	5,340	(3.3)	458	Not applicable	11.7
			Average			**14.3**	**1.5**
			Maximum			**20.9**	**3.4**
			Minimum			**10.6**	**0.6**
The Remaining Group		Recruitment advertising				**50.1** *(Note 5)*	**5.1** *(Note 6)*

Source: Bloomberg and the website of the Stock Exchange

Notes:

1) Data regarding the market capitalisations, P/E Ratios and P/B Ratios of the Indirect Comparable Companies are sourced from Bloomberg as at 1 June 2015, being the date of the Sale and Purchase Agreement, and with reference to their respective latest annual/interim reports.

2) Based on the closing price of the shares of Beijing Media as quoted on the Stock Exchange on 1 June 2015 and the aggregate number of H shares and domestic shares issued by Beijing Media.

3) The net profit of Beijing Media for the latest financial year would be negative after adjusting for the non-operating income/expense items of Beijing Media for the year as shown in its latest annual report. Thus, Beijing Media is excluded from our analysis of P/E Ratio.

4) We excluded Evergrande in our analysis because we noted the share price of Evergrande surged since the end of 2014 which we believe was most likely due to market's speculation on the general offer exercise of Evergrande in early 2015.

5) The implied P/E Ratio of the Offer Price is calculated based on the Offer Price of HK$2.038 and the unaudited pro forma earnings per Share of the Remaining Group of approximately HK$0.0407 for FY2014 (which in turn is calculated by dividing the Adjusted Pro Forma Profit of the Remaining Group from continuing operations of approximately HK$13.6 million for FY2014 (with details set out in the section headed "1.2 Unaudited pro forma financial performance of the Remaining Group" above) by 333,784,000 Shares in issue as at the Latest Practicable Date).

6) The implied P/B Ratio of the Offer Price is calculated based on the Offer Price of HK$2.038 and the unaudited pro forma net asset value per Share of the Remaining Group of approximately HK$0.4034 as at 30 June 2015 (which in turn is calculated by dividing the unaudited pro forma total equity of the Company as at 30 June 2015 of approximately HK$134.6 million by 333,784,000 Shares in issue as at the Latest Practicable Date).

As set out in the table above, the P/E Ratios of the Indirect Comparable Companies ranged from approximately 10.6 to 20.9 times with an average of approximately 14.3 times and the P/B Ratios of the Indirect Comparable Companies ranged from approximately 0.6 to 3.4 times with an average of approximately 1.5 times. As illustrated above, each of the P/E Ratio and P/B Ratio implied by the Offer Price is materially higher than the average of the Indirect Comparable Companies.

CONCLUSION AND RECOMMENDATION

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

(i) the Offer Price was generally above the closing price of the Shares for most of the time of the Pre-Announcement Period;

(ii) the Offer Price represents a premium of approximately 7.26% over the average of the closing prices of the Shares for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK$1.90 per Share;

(iii) the Offer Price represents a premium of approximately 409.5% over the unaudited pro forma net asset value per Share of the Remaining Group of approximately HK$0.40 as at 30 June 2015;

(iv) the Offer Price represents a high implied P/E Ratio of approximately 50.1 times of the adjusted pro forma earnings per Share of the Remaining Group and P/B Ratio of approximately 5.1 times of the unaudited pro forma net asset value per Share of the Remaining Group, each of which is materially higher than the average of the Indirect Comparable Companies;

(v) despite the relatively high closing Share price as compared to the Offer Price during most of the time of the Post-Announcement Period, the sustainability of such Share price momentum is uncertain and may not continue in the absence of the Offer;

(vi) despite of the surge in the average daily trading volume of the Shares in May 2015, it is noted that the average daily trading volume of the Shares for each of June and July 2015 and the period from 1 August 2015 up to the Latest Practicable Date had dropped and it is uncertain whether such trading momentum of May 2015 could be sustained in the absence of the Offer, and thus the Independent Shareholders might not be able to dispose of a significant shareholding in the Company in the market without exerting a downward pressure on the market price of the Shares while the Offer represents an alternative exit for the Independent Shareholders to realise their investments in the Shares at the Offer Price; and

(vii) despite the stable outlook of the local recruitment market in near future and the Remaining Group's profit track record, the future performance of the Remaining Group may be affected by factors such as (a) the ability of the Remaining Group to execute the above mentioned business plan as expected; and (b) the possible change of the senior management of the Remaining Group, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

The Independent Shareholders who would like to realise part or all of their investments in the Shares should closely monitor the market prices of the Shares during the period of the Offer. In the event that the market price of the Shares exceeds the Offer Price during the period of the Offer and the sale proceeds (net of transaction costs) exceed the net amounts receivable under the Offer, the Independent Shareholders should consider selling their Shares in the open market instead of accepting the Offer.

For those Independent Shareholders who wish to retain part or all of their investments in the Shares are reminded that the Remaining Group is principally engaged in the remaining business (being recruitment advertising and investment holding) after the change in control of the Company, and should consider carefully the intentions of the Joint Offerors in relation to the Remaining Group after the close of the Offer (with details set out in the section above headed "2.2 Intention of the Joint Offerors in relation to the Company" of this letter and in the letter from Bridge Partners and Kingston Securities as set out in the Composite Document).

The Shareholders should read carefully the procedures for accepting the Offer with details set out in the Composite Document.

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

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

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

(a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of Share(s) in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai Hong Kong, in any event no later than 4:00 p.m. on the Offer Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code.

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your holding of Share(s) (whether in full or in part), you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(ii) arrange for the Share(s) to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(iii) if your Share(s) has/have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Share(s) has/have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

(c) If the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Share(s), the Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(d) If you have lodged transfer(s) of any of your Share(s) for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Share(s), you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Joint Offerors and/or the Joint Financial Advisers or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

(e) Acceptance of the Offer will be treated as valid only if the completed Form of Acceptance in accordance with Note 1 to Rule 30.2 of the Takeovers Code, is received by the Registrar by no later than 4:00 p.m. on the Offer Closing Date (or such later time and/or date as the Joint Offerors may determine and announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded the acceptance and any relevant documents required by the Takeovers Code have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Share(s); or

(ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Share(s) which is/are not taken into account under another sub-paragraph of this paragraph (f)); or

(iii) certified by the Registrar or the Stock Exchange. If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

(f) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order and in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount due to each of the Shareholders who accept the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer will be despatched to such Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid.

Settlement of the consideration to which any accepting Independent Shareholders is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Joint Offerors may otherwise be, or claim to be, entitled against such accepting Independent Shareholders.

3. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offer has previously been revised or extended with the consent of the Executive in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Offer Closing Date.

(b) The Joint Offerors and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the Offer Closing Date stating whether the Offer has been revised or extended.

(c) If the Joint Offerors revise the terms of the Offer (in accordance with the relevant requirements under the Takeovers Code), all the Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.

(d) If the Offer is extended or revised, the announcement of such extension or revision will state the next closing date or, if the Offer has become unconditional as to acceptances, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer, and an announcement will be released. The revised Offer will be kept open for at least 14 days thereafter.

(e) If the Offer Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Offer Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

(f) Any acceptance of the relevant revised offer shall be irrevocable unless and until the Independent Shareholder who accepted the Offer becomes entitled to withdraw their acceptance under the paragraph headed "6. RIGHT OF WITHDRAWAL" below duly do so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

(a) By 6:00 p.m. on the Offer Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Joint Offerors must inform the Executive and the Stock Exchange of their decision in relation to the revision or extension of the Offer. The Joint Offerors must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Offer Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised or extended. The announcement will state the total number of Shares:

(i) for which acceptances of the Offer has been received;

(ii) held, controlled or directed by the Joint Offerors or persons acting in concert with any of them before the Offer Period; and

(iii) acquired or agreed to be acquired during the Offer Period by the Joint Offerors and persons acting in concert with it.

The announcement must include details of any relevant securities (as defined in the Takeovers Code) in the Company which the Joint Offerors or any person acting in concert with any of them has borrowed or lent, save for any borrowed shares which have been either on-lent or sold. The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.

(b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in good order and satisfy the acceptance conditions set out in paragraph 1 of this Appendix and which have been received by the Registrar or the Company (as the case may be) no later than 4:00 p.m. on the Offer Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer must be made in accordance with the requirement of the Listing Rules and will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cinderellagroup.com.hk.

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below or in compliance with Rule 17 of the Takeovers Code.

(b) If the Joint Offerors are unable to comply with the requirements set out in the paragraph headed "5. ANNOUNCEMENTS" above, the Executive may require that the Independent Shareholders, who have tendered acceptances to the Offer to be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Independent Shareholder(s) withdraw(s) the acceptances, the Joint Offerors shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title lodged with the Form of Acceptance to the relevant Independent Shareholders at their own risks.

7. OVERSEAS SHAREHOLDERS

The Offer will be made available to all the Independent Shareholders, including the Overseas Shareholders. The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

8. STAMP DUTY AND OTHER FEES

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer (or part thereof) at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Shareholders, or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Offer.

The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

9. TAX IMPLICATIONS

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors, parties acting in concert with the Joint Offerors, the Company, the Joint Financial Advisers and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

10. GENERAL

(a) All communications, notices, Form of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Joint Offerors, parties acting in concert with the Joint Offerors, the Company and any of their respective directors nor the Registrar or other parties involved in the Offer or any of their respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

(c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer are made will not invalidate the Offer in any way.

(d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Forms of Acceptance will constitute an authority to the Joint Offerors, the Joint Financial Advisers, Kingston Securities or such person or persons as the Joint Offerors may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Joint Offerors, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

(f) By accepting the Offer, the Independent Shareholders will sell their Shares to the Joint Offerors free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document. The making of the Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

(g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Joint Offerors that the number of Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.

(h) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension or revision thereof.

(i) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

(j) In making their decision, the Independent Shareholders, in addition to considering the information contained in the "Letter from Bridge Partners and Kingston Securities", "Letter from the Board', "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document, must rely on their own examination of the Joint Offerors, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Joint Offerors, their respective ultimate beneficial owners, the Company, the Joint Financial Advisers and Kingston Securities. The Independent Shareholders should consult their own professional advisers for professional advice.

(k) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

1. FINANCIAL SUMMARY OF THE GROUP

The following is a summary of the financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015 as extracted from the Company's annual report and interim report:

	For the year ended 31 December			For the six months ended
	2012	**2013**	**2014**	**30 June 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
CONTINUING OPERATIONS *(Note 1)*				
Turnover	825,976	556,152	476,149	31,378
Profit before income tax	169,293	74,578	34,514	9,349
Income tax expense	(48,525)	(22,705)	(16,554)	(1,524)
Profit for the year/period from continuing operations	120,768	51,873	17,960	7,825
DISCONTINUED OPERATIONS *(Notes 1 and 2)*				
Profit/(Loss) for the year/period from discontinued operations	68,150	121,421	76,675	(30,396)
Profit/(Loss) for the year/period	188,918	173,294	94,635	(22,571)
Attributable to:				
Owners of the Company	161,732	125,399	78,913	(22,571)
Non-controlling interests	27,186	47,895	15,722	–
Dividend	124,780	92,985	38,368	–
Earnings/(Loss) per share from continuing and discontinued operations				
– Basic	HK49.84 cents	HK37.94 cents	HK23.67 cents	HK(6.76) cents
– Diluted	HK49.46 cents	HK37.86 cents	HK23.67 cents	HK(6.76) cents
Dividend per Share	HK38.00 cents	HK28.00 cents	HK11.50 cents	–

Notes:

(1) On 1 June 2015, Recruit (BVI) entered into the Disposal Agreement with ER2. The operation of the CinMedia Group and the Easking Group which represented the entire operation of the inflight magazines advertising business were presented as discontinued operations of the Group in the Company's interim report for the six months ended 30 June 2015. The financial results of the CinMedia Group and the Easking Group for the years ended 31 December 2012, 2013 and 2014 were included in the continuing operations of the Group in the Company's annual reports for the years ended 31 December 2012, 2013 and 2014 respectively. As such, the financial results of the CinMedia Group and the Easking Group as presented herein were included in the continuing operations of the Group for the years ended 31 December 2012, 2013 and 2014 but included in the discontinued operations of the Group for the six months ended 30 June 2015.

(2) On 2 May 2014, the Group distributed shares in 1010 Printing Group Limited (stock code: 1127) ("**1010 Printing**") in specie to the Shareholders. As a result of the distribution in specie, 1010 Printing ceased to be a subsidiary of the Company. The financial results of 1010 Printing and its subsidiaries (collectively, the "**1010 Printing Group**") for the years ended 31 December 2012, 2013 and 2014 were restated and presented as discontinued operations in accordance with Hong Kong Financial Reporting Standards in the Company's annual report for the year ended 31 December 2014. As such, the discontinued operations of the Group for the years ended 31 December 2012, 2013 and 2014 as presented herein included the financial results of the 1010 Printing Group.

The Company's auditors did not issue any qualified audit opinion in respect of the financial statements of the Group for each of the three years ended 31 December 2012, 2013 and 2014. Save for note (2) as disclosed above, the Group had no items which are exceptional because of size, nature or incidence for each of the three years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015.

2. AUDITED FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2014

The following financial information is extracted from the annual report of the Company for the year ended 31 December 2014:

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

	Notes	**2014** *HK$'000*	**2013** *HK$'000* (restated)
Continuing operations			
Turnover	5	476,149	556,152
Direct operating costs		(377,215)	(407,588)
Gross profit		98,934	148,564
Other revenue and net income	7	7,593	12,065
Selling and distribution costs		(30,438)	(46,562)
Administrative expenses		(37,804)	(35,276)
Other expenses		(3,705)	(4,148)
Finance costs	8	(66)	(65)
Profit before income tax from continuing operations	9	34,514	74,578
Income tax expense	12	(16,554)	(22,705)
Profit for the year from continuing operations		17,960	51,873
Discontinued operations			
Profit for the year from discontinued operations	14	76,675	121,421
Profit for the year		94,635	173,294
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain on translation of financial statements of foreign operations		(633)	6,321
Release of exchange reserve upon distribution of subsidiaries		(1,608)	–
Other comprehensive income for the year, net of tax		(2,241)	6,321
Total comprehensive income for the year		92,394	179,615

	Notes	2014 *HK$'000*	2013 *HK$'000* (restated)
Profit for the year attributable to:			
Owners of the Company			
Profit for the year from continuing operations		17,960	51,873
Profit for the year from discontinued operations		60,953	73,526
Profit for the year attributable to owners of the Company	13	78,913	125,399
Non-controlling interests			
Profit for the year from continuing operations		–	–
Profit for the year from discontinued operations		15,722	47,895
Profit for the year attributable to non-controlling interests		15,722	47,895
		94,635	173,294
Total comprehensive income attributable to:			
Owners of the Company		76,763	130,039
Non-controlling interests		15,631	49,576
		92,394	179,615
Earnings per share from continuing and discontinued operations	16(a)		
Basic		HK23.67 cents	HK37.94 cents
Diluted		HK23.67 cents	HK37.86 cents
Earnings per share from continuing operations	16(b)		
Basic		HK5.39 cents	HK15.69 cents
Diluted		HK5.39 cents	HK15.66 cents

Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	17	4,704	200,905
Prepaid land lease payments	18	5,651	5,845
Investment properties	19	29,706	10,192
Intangible assets	21	–	66,117
Deferred tax assets	31	–	10,614
		40,061	293,673
Current assets			
Inventories	24	–	79,802
Trade and other receivables and deposits	25	68,430	492,709
Financial assets at fair value through profit or loss	26	1,591	1,498
Tax recoverable		4,384	–
Pledged cash and bank balances	27	–	33,365
Cash and cash equivalents	27	151,615	382,522
		226,020	989,896
Current liabilities			
Trade and other payables	28	69,740	281,099
Bank borrowings	29	7,672	64,612
Finance lease liabilities	30	–	526
Provision for taxation		5,888	13,007
		83,300	359,244
Net current assets		142,720	630,652
Total assets less current liabilities		182,781	924,325
Non-current liabilities			
Deferred tax liabilities	31	3,255	17,391
Net assets		179,526	906,934
EQUITY			
Share capital	32	66,727	66,482
Reserves		112,799	577,668
Equity attributable to owners of the Company		179,526	644,150
Non-controlling interests	20	–	262,784
Total equity		179,526	906,934

Statement of Financial Position
As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	20	62,029	64,171
Current assets			
Amounts due from subsidiaries	22	50,333	325,273
Financial assets at fair value through profit or loss	26	747	–
Other receivables		292	281
Cash and cash equivalents	27	98,487	152,059
		149,859	477,613
Current liabilities			
Other payables		300	564
Amounts due to subsidiaries	23	33,855	270,093
		34,155	270,657
Net current assets		115,704	206,956
Net assets		177,733	271,127
EQUITY			
Share capital	32	66,727	66,482
Reserves	34	111,006	204,645
Total equity		177,733	271,127

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	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 2013	65,632	108,238	2,123	131	(43,897)	2,371	2,341	(16,472)	–	98,589	413,396	632,452	181,353	813,805
Equity-settled share-based payment expense *(Note 33)*	–	–	52	–	–	–	–	–	589	–	–	641	387	1,028
Exercise of share options	850	7,815	(1,637)	–	–	–	–	–	–	–	–	7,028	–	7,028
Share issue expenses	–	(31)	–	–	–	–	–	–	–	–	–	(31)	–	(31)
Final and special 2012 dividends paid *(Note 15)*	–	–	–	–	–	–	–	–	–	(98,589)	(717)	(99,306)	–	(99,306)
Interim 2013 dividend paid *(Note 15)*	–	–	–	–	–	–	–	–	–	–	(26,497)	(26,497)	–	(26,497)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(6,111)	(6,111)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	40,021	40,021
Loss on acquisition of non-controlling interests of subsidiaries	–	–	–	–	–	–	–	(176)	–	–	–	(176)	(2,442)	(2,618)
Transactions with owners	850	7,784	(1,585)	–	–	–	–	(176)	589	(98,589)	(27,214)	(118,341)	31,855	(86,486)
Profit for the year	–	–	–	–	–	–	–	–	–	–	125,399	125,399	47,895	173,294
Other comprehensive income														
Currency translation	–	–	–	4,640	–	–	–	–	–	–	–	4,640	1,681	6,321
Total comprehensive income for the year	–	–	–	4,640	–	–	–	–	–	–	125,399	130,039	49,576	179,615
Proposed final 2013 dividends *(Note 15)*	–	–	–	–	–	–	–	–	–	66,488	(66,488)	–	–	–
Balance at 31 December 2013	66,482	116,022	538	4,771	(43,897)	2,371	2,341	(16,648)	589	66,488	445,093	644,150	262,784	906,934

	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	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 *(Note 33)*	–	–	–	–	–	–	–	–	1,677	–	–	1,677	1,103	2,780
Shares vested under share award scheme	–	–	–	–	–	–	–	–	(948)	–	–	(948)	(624)	(1,572)
Exercise of share options	245	2,036	(197)	–	–	–	–	–	–	–	–	2,084	–	2,084
Share issue expenses	–	(9)	–	–	–	–	–	–	–	–	–	(9)	–	(9)
Final 2013 dividends paid *(Note 15)*	–	–	–	–	–	–	–	–	–	(66,488)	(239)	(66,727)	–	(66,727)
Distribution in species *(Note 15)*	–	–	–	–	–	(5,000)	–	–	–	–	(454,114)	(459,114)	–	(459,114)
Interim 2014 dividends paid *(Note 15)*	–	–	–	–	–	–	–	–	–	–	(18,350)	(18,350)	–	(18,350)
Disposal/distribution of subsidiaries	–	–	–	–	–	–	(1,054)	16,648	(1,318)	–	(14,276)	–	(278,894)	(278,894)
Transactions with owners	245	2,027	(197)	–	–	(5,000)	(1,054)	16,648	(589)	(66,488)	(486,979)	(541,387)	(278,415)	(819,802)
Profit for the year	–	–	–	–	–	–	–	–	–	–	78,913	78,913	15,722	94,635
Other comprehensive income														
Currency translation	–	–	–	(542)	–	–	–	–	–	–	–	(542)	(91)	(633)
Release of exchange reserve upon distribution of subsidiaries	–	–	–	(1,608)	–	–	–	–	–	–	–	(1,608)	–	(1,608)
Total comprehensive income for the year	–	–	–	(2,150)	–	–	–	–	–	–	78,913	76,763	15,631	92,394
Proposed final 2014 dividends *(Note 15)*	–	–	–	–	–	(20,018)	–	–	–	20,018	–	–	–	–
Transfers	–	(118,049)	–	–	–	118,049	–	–	–	–	–	–	–	–
Balance at 31 December 2014	66,727	–	341	2,621	(43,897)	95,402	1,287	–	–	20,018	37,027	179,526	–	179,526

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

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

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

Consolidated Statement of Cash Flows
For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000 (restated)
Cash flows from operating activities			
Profit before income tax			
From continuing operations		34,514	74,578
From discontinued operations		85,578	146,943
		120,092	221,521
Adjustments for:			
Amortisation of prepaid land lease payments		147	146
Depreciation of property, plant and equipment		11,554	32,575
Depreciation of investment properties		395	178
Amortisation of intangible assets		124	370
Dividend income from listed equity securities		(94)	(48)
Equity-settled share-based payment expenses	33	2,780	1,028
Gain on distribution of subsidiaries	38(c)	(36,966)	–
Loss on disposal of subsidiaries	38	1,919	11
Gain on financial assets at fair value through profit or loss		(115)	(5,478)
Impairment of trade receivables	25	4,903	9,562
Bad debt written off		244	70
Write-down of inventories	24	400	5,071
Reversal of write-down of inventories	24	(5,246)	(78)
Interest expenses		703	2,205
Impairment of trade receivables written back	25	(4,094)	(9,633)
Interest income		(2,228)	(3,219)
Gain on early settlement of payables to the vendors for the acquisition of APOL		–	(1,760)
Loss on disposals of property, plant and equipment		309	2,316
Operating profit before working capital changes		94,827	254,837
Increase in inventories		(29,561)	(11,272)
Decrease in trade and other receivables and deposits		6,316	24,609
Change in financial assets/liabilities at fair value through profit or loss		1,801	4,132
(Decrease)/Increase in trade and other payables		(2,042)	22,148
Cash generated from operations		71,341	294,454
Income taxes paid		(34,260)	(101,082)
Net cash from operating activities		37,081	193,372

	Notes	2014 HK$'000	2013 HK$'000 (restated)
Cash flows from investing activities			
Dividend income from listed equity securities received		94	48
Decrease/(Increase) in pledged deposits		33,365	(26,068)
Interest received		2,228	3,219
Proceeds on disposals of property, plant and equipment		131	5,464
Additions of property, plant and equipment		(4,092)	(28,317)
Net cash outflow in respect of distribution of subsidiaries	38(c)	(235,188)	–
Net cash inflow/(outflow) in respect of disposals of subsidiaries	38	7,563	(307)
Acquisition of subsidiaries	39	(17,147)	(58,240)
Net cash used in investing activities		(213,046)	(104,201)
Cash flows from financing activities			
Repayments of capital element of finance lease liabilities		(526)	(6,227)
Interest element of finance lease payments		(1)	(108)
Proceeds of bank borrowings		40,000	–
Repayments of bank borrowings		(9,139)	(53,685)
Acquisition of non-controlling interests of subsidiaries		–	(2,618)
Interest on bank borrowings paid		(702)	(2,097)
Capital contribution from non-controlling interests of a subsidiary		–	40,021
Proceeds from shares issued on exercise of share options		2,084	7,028
Share issue expenses paid		(9)	(31)
Payments to employee for share award scheme		(1,572)	–
Dividend paid to non-controlling interests		–	(6,111)
Dividends paid	15(b)	(85,077)	(125,803)
Net cash used in financing activities		(54,942)	(149,631)
Net decrease in cash and cash equivalents		(230,907)	(60,460)
Cash and cash equivalents at 1 January		382,522	442,982
Cash and cash equivalents at 31 December		151,615	382,522

Notes to the Financial Statements

For the year ended 31 December 2014

1. GENERAL INFORMATION

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

As at 31 December 2014, the Company's ultimate holding company is ER2 Holdings Limited which was incorporated in Hong Kong and the Company's immediate holding company is City Apex Limited, which was incorporated in the British Virgin Islands.

The Company acts as an investment holding company and provides corporate management services. Details of the activities of its principal subsidiaries are set out in Note 41 to the financial statements. The Company and its subsidiaries are collectively referred to as the "Group" hereafter.

During the year, the Company approved the distribution in specie of shares in its subsidiary, 1010 Printing Group Limited, to its shareholders. The financial results of 1010 Printing Group Limited and its subsidiaries (collectively referred as "1010 Printing Group") are presented as discontinued operations in accordance with HKFRS 5. Details of the discontinued operations are set out in Note 14. Certain comparatives on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and related notes to the financial statements have been restated so as to reflect the results for the continuing operations and discontinued operations as if the operations discontinued during the year had been discontinued at the beginning of the comparative period. Other than the distribution in specie, there were no significant changes in the Group's operations during the year.

The financial statements for the year ended 31 December 2014 were approved for issue by the board of directors of the Company (the "Directors") on 3 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages II-2 to II-64 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in Note 3.

The financial statements have been prepared under historical cost convention except for certain financial assets that are measured at fair value through profit or loss, which are stated at fair values. 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 statements. 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 statements, are disclosed in Note 4.

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. 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 year are included in the consolidated statement of profit or loss and other comprehensive income 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 other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the 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.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in those non-controlling interest having a deficit balance.

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company 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 Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company 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 the Company's profit or loss.

2.4 Foreign currency translation

The financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain 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 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%
Machinery	6.6% – 20%

The assets' 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 sales proceeds 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 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 during the period in which they are incurred.

Assets held under finance leases are depreciated over their estimated useful lives or where shorter the term of the lease using the same method as owned assets in the same category.

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 2.12. 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 Group from use of the land.

2.7 Investment properties

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged so as to write off the cost of investment property net of expected residual value over the estimated useful live using straight-line method. The useful live, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Intangible assets

(I) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill on acquisition of subsidiaries is included in intangible assets.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(II) Non competition covenants

Non competition covenants acquired in business combination are recognised at fair value at the date of acquisition. Non competition covenants have finite useful lives and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using straight-line method over the expected useful lives of two years. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see Note 2.18).

2.9 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below. The Group's financial assets are classified into loans and receivables and financial assets at fair value through profit or loss. 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 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, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

(I) Financial assets at fair value through profit or loss

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies in Note 2.17 to these financial statements.

(II) 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, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment and impairment is recognised based on the classification of the financial asset.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– Significant financial difficulty of the debtors;

– A breach of contract, such as a default of delinquency in interest for principal payments;

– It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtors; and

– A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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 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. the effective interest rate computed at initial recognition). The amount of loss is recognised in profit or loss of the year in which the impairment occurs.

If, in 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 year 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 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.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method, and in the case of work-in-progress and finished goods, cost comprises direct materials and, where applicable, direct labour costs and those overhead costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable selling expenses.

When the inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.11 Cash and cash equivalents

For the purpose of the consolidated statement 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 Group's cash management.

For the purpose of the statement 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.

2.12 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the 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.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the 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 Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset or, if lower, the present value of the minimum lease payments ("the initial value"), of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance lease charges, are recorded as finance lease liabilities.

Subsequent accounting for assets held under finance leases corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance lease charges.

(iii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss using 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 period in which they are incurred.

(iv) Assets leased out under operating leases as the lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

2.13 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2.14 Financial liabilities

The Group's financial liabilities include bank borrowings, trade and other payables, financial liabilities at fair value through profit or loss, finance lease liabilities and amounts due to group companies.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2.20).

A financial liability is derecognised when the obligation under the 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.

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see Note 2.12).

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing using effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables and amounts due to group companies

These are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method.

2.15 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 probability 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 probability of outflow of economic benefits is remote.

2.16 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.

2.17 Revenue recognition

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

– Advertising income is recognised on the date of the relevant publication issue or on time-proportion basis by reference to the period in which the advertisement is displayed in the website.

– Printing income and publication sales are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

– Service income is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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

- Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

- Dividend income is recognised when the right to receive payment is established.

2.18 Impairment of non-financial assets

Intangible assets, property, plant and equipment, investment properties and interests 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 purposes 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 CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level.

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

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

2.19 Employee benefits

(i) Retirement benefit schemes

The Group participates in several staff retirement benefit schemes for employees in Hong Kong, the PRC, except Hong Kong and other countries, comprising defined contribution retirement schemes and a Mandatory Provident Fund scheme (the "MPF Scheme"). The assets of these schemes are held separately from those of the 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 Group to the schemes.

The subsidiaries operating in the PRC and other countries 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 Group.

Before 1 December 2000, the Group operated a defined contribution retirement scheme ("the ORSO Scheme") in Hong Kong for all qualified employees. The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 7.5% of the employees' basic salary, depending on the length of service with the Group. The Group's contributions under the ORSO Scheme were reduced by contributions forfeited by those employees who left the ORSO Scheme prior to vesting fully in the contributions.

The Mandatory Provident Fund Schemes Authority has approved the ORSO Scheme as a Mandatory Provident Fund Exempted Occupational Retirement Scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Schemes Ordinance"). With effect from 1 December 2000, the MPF Scheme was set up under the MPF Schemes Ordinance for existing staff who opt for this scheme and eligible staff recruited on or after that date. When the underlying staff elects the MPF Scheme, retirement scheme benefits attributed to the staff under the ORSO Scheme remain unchanged in the MPF Scheme. Under the MPF Scheme, eligible employees are required to contribute 5% of their monthly basic salaries whereas the Group's contribution will be 5% of the relevant income with a maximum monthly contribution of HK$1,500 (2013: HK$1,250) and there are no other legal or constructive obligations to the Group.

(ii) Share-based employee compensation

The Group operates two equity-settled share-based compensation plan including a share option scheme by the Company, for the purpose of recognising and motivating the contribution from their staff and directors. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualified for recognition as asset, with a corresponding increase in the employee compensation reserve in equity of the Company and the subsidiary. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised/shares are awarded, the amount previously recognised in employee compensation reserve will be transferred to share premium. After vesting date, when the vested share options/share award are later forfeited or are still not exercised at the expiry date, the amount previously recognised in employee compensation reserve will be transferred to retained earnings.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses where it has a contractual obligation or where there is a past practice that has created a constructive obligation.

(iv) 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.

2.20 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.

2.21 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, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They 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 year. 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. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, 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 differences 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 investments in subsidiaries and associates, except where the 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 in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

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 Group has the 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 Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the 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.

2.22 Segment reporting

The 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 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 executive directors are determined following the Group's major product and service lines.

The 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 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 deferred tax assets. In addition, 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 and liabilities incurred for financing rather than operating purposes.

No asymmetrical allocations have been applied to reportable segments.

2.23 Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) 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).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family 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) dependents of that person or that person's spouse or domestic partner.

2.24 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statement of profit or loss and other comprehensive income, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal groups constituting the discontinued operation.

2.25 Distributions of non-cash assets to owners

When the Company has an obligation to distribute non-cash assets to owners, it recognises a liability to pay the dividend. The liability to pay the dividend is recognised when the dividend is appropriately authorised and is no longer at the discretion of the Company. The liability to pay the dividend is measured at the fair value of the non-cash assets to be distributed. When the Company settles the dividend payable, the difference between the carrying amount of the non-cash assets distributed and the amount of the dividend payable is recognised in profit or loss.

3. ADOPTION OF NEW OR AMENDED HKFRSs

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

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

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

HKFRS 9 (2014) Financial Instruments

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

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

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

HKFRS 15 – Revenue from Contracts with Customers

The standard is effective for accounting periods beginning on or after 1 January 2017. The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

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

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

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

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 consolidated financial statements 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 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 outstandings, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

(ii) Depreciation

The Group depreciates property, plant and equipment and investment properties 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 Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and investment properties.

(iii) Current taxation and deferred taxation

The 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 many 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 Group's continuing operations during the year.

6. SEGMENT INFORMATION

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

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

	Revenue from external customers (Continuing operations)		Non-current assets (excluding deferred tax assets)	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000* (restated)	*HK$'000*	*HK$'000*
PRC	377,937	447,868	9,099	198,372
United States of America	–	–	–	189
United Kingdom	–	–	–	6
Australia	–	–	–	34
Hong Kong (domicile)	90,049	99,022	30,943	84,430
Taiwan	8,163	9,262	19	28
	476,149	556,152	40,061	283,059

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

Revenue from the major customers with whom transactions have exceeded 10% of the Group's revenue is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Customer A	111,359	130,230
Customer B	108,886	108,395
	220,245	238,625

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

	2014	**2013**
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Reportable segment profit	34,580	74,695
Equity-settled share-based payments	–	(52)
Finance costs	(66)	(65)
Profit before income tax	34,514	74,578

	2014	**2013**
	HK$'000	*HK$'000*
		(restated)
Reportable segment assets	266,081	375,235
Deferred tax assets	–	10,614
Segment assets of discontinued operations	–	897,720
Group assets	266,081	1,283,569

	2014	**2013**
	HK$'000	*HK$'000*
Reportable segment liabilities	75,628	116,940
Segment liabilities of discontinued operations	–	177,692
Deferred tax liabilities	3,255	17,391
Borrowings	7,672	64,612
Group liabilities	86,555	376,635

Certain comparative figures in the segment information for the year ended 31 December 2013 have been restated. Previously, advertising, printing and investment were identified by executive directors as operating segments. For the year ended 31 December 2014, in view of the discontinued operations of printing upon the distribution in specie of shares in 1010 Printing Group Limited and insignificant impact of investment, executive directors identified advertising as the only segment of the Group as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative figures have been reclassified accordingly.

7. OTHER REVENUE AND NET INCOME

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

8. FINANCE COSTS

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

9. PROFIT BEFORE INCOME TAX

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

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

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of the emoluments paid or payable to the Directors are as follows:

	Fee	Salaries, allowances and discretionary bonuses	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2014				
Executive directors				
Mr. Lau Chuk Kin	–	1,000	17	1,017
Ms. Lam Mei Lan	–	2,432	17	2,449
Non-executive directors				
Mr. Lee Ching Ming, Adrian	120	–	–	120
Mr. Peter Stavros Patapios Christofis	120	–	–	120
Mr. Wan Siu Kau	120	–	–	120
Independent non-executive directors				
Mr. Cheng Ping Kuen, Franco	180	–	–	180
Mrs. Ling Lee Ching Man, Eleanor	180	–	–	180
Mr. Ho David	180	–	–	180
	900	3,432	34	4,366
2013				
Executive directors				
Mr. Lau Chuk Kin	–	1,800	15	1,815
Ms. Lam Mei Lan	–	2,100	15	2,115
Non-executive directors				
Mr. Lee Ching Ming, Adrian	120	–	–	120
Mr. Peter Stavros Patapios Christofis	120	–	–	120
Mr. Wan Siu Kau	120	–	–	120
Independent non-executive directors				
Mr. Cheng Ping Kuen, Franco	180	–	–	180
Mrs. Ling Lee Ching Man, Eleanor	180	–	–	180
Mr. Ho David	180	–	–	180
	900	3,900	30	4,830

During each of the two years ended 31 December 2014 and 2013, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one director (2013: two directors) whose emoluments are reflected in the analysis presented above. Emoluments payable to the remaining four (2013: three) individuals during the year are as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Salaries, allowances, discretionary bonuses and other benefits	5,576	8,247
Retirement benefit scheme contributions	126	147
Equity-settled share-based payments	–	565
	5,702	8,959

The emoluments fell within the following bands:

	Number of individuals	
	2014	**2013**
Emolument bands		
HK$1,000,001 – HK$1,500,000	3	–
HK$1,500,001 – HK$2,000,000	1	1
HK$2,500,001 – HK$3,000,000	–	1
HK$4,000,001 – HK$4,500,000	–	1
	4	3

During each of the two years ended 31 December 2014 and 2013, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2014	**2013**
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Directors' fee	900	900
Wages, salaries and other benefits	39,111	48,672
Equity-settled share-based payments *(Note 33)*	–	52
Retirement benefit scheme contributions	3,844	2,842
	43,855	52,466

12. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2014	**2013**
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Hong Kong profits tax		
Current year	2,742	6,287
Over provision in prior years	–	(401)
	2,742	5,886
Overseas tax		
Current year	22,534	14,759
Over provision in prior years	(1,919)	–
	20,615	14,759
Deferred tax *(Note 31)*		
Current year	(6,803)	2,060
	16,554	22,705

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
		(restated)
Profit before income tax from continuing operations	34,514	74,578
Notional tax calculated at the rates applicable to the profits in the tax jurisdictions concerned	6,331	16,440
Tax effect of non-taxable revenue	(1,816)	(1,323)
Tax effect of non-deductible expenses	10,823	5,118
Tax effect of tax losses not recognised	1,112	688
Tax effect of temporary differences not recognised	–	123
Utilisation of previously unrecognised tax losses	(1,215)	–
Over provision in prior years	(1,919)	(401)
Withholding tax on undistributed earnings of PRC subsidiaries	3,238	2,060
Income tax expense	16,554	22,705

13. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated profit attributable to owners of the Company of HK$78,913,000 (2013: HK$125,399,000), profit of HK$144,318,000 (2013: HK$4,022,000) has been dealt with in the financial statements of the Company.

14. DISCONTINUED OPERATIONS

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

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

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

	2014	**2013**
	HK$'000	*HK$'000*
Turnover	365,751	1,163,542
Direct operating costs	(262,944)	(851,271)
Other revenue and net income	10,299	37,200
Selling and distribution costs	(50,635)	(164,953)
Administrative expenses	(11,800)	(29,697)
Other expenses	(1,422)	(5,483)
Finance costs	(637)	(2,395)
Profit before income tax from discontinued operations	48,612	146,943
Income tax expenses	(8,903)	(25,522)
Profit after income tax from discontinued operations	39,709	121,421
Gain on distribution of subsidiaries (Note 38(c))	36,966	–
Profit for the year from discontinued operations	76,675	121,421

The net cash flows related to 1010 Printing Group are as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Net cash inflows from operating activities	61,207	128,736
Net cash outflows from Investing activities	(17,034)	(106,234)
Net cash inflows/(outflows) from financing activities	30,086	(6,857)
Net cash inflow	74,259	15,645

15. DIVIDENDS AND DISTRIBUTION

(a) Dividends attributable to the year:

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

For the year ended 31 December 2013, the Company proposed the distribution in specie ("Distribution in Specie") of shares in 1010 Printing Group Limited, which is held by the Company and Recruit (BVI) Limited, a directly wholly owned subsidiary of the Company, to its shareholders on the basis of 139 shares in 1010 Printing Group Limited for every 100 ordinary shares of the Company held by the shareholders as at the record date.

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

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

(b) Dividends approved and paid during the year:

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

16. EARNINGS PER SHARE

(a) For continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company		
Continuing operations	17,960	51,873
Discontinued operations	60,953	73,526
	78,913	125,399

	Number of shares	
	2014	2013
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	333,381	330,551
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	–	661
Weighted average number of ordinary shares for the purpose of diluted earnings per share	333,381	331,212

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

(b) For continuing operations

The calculation of basic earnings per share from continuing operations is based on the profit attributable to owners of the Company from continuing operations of HK$17,960,000 (2013: HK$51,873,000) and the denominators used are the same as those detailed above for both basic and diluted earnings per share.

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

(c) For discontinued operations

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

17. PROPERTY, PLANT AND EQUIPMENT

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	Machinery HK$'000	Total HK$'000
At 1 January 2013								
Cost	19,775	5,703	5,707	44,882	37,287	2,226	266,950	382,530
Accumulated depreciation	(784)	(4,137)	(3,954)	(27,359)	(34,853)	(1,261)	(90,778)	(163,126)
Net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
Year ended 31 December 2013								
Opening net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
Exchange differences	71	(2)	18	3	5	17	3,797	3,909
Additions	–	382	673	8,485	1,125	2,024	15,628	28,317
Disposals	–	(4)	(56)	(679)	(2)	(254)	(6,785)	(7,780)
Transfer to investment properties *(Note 19)*	(10,370)	–	–	–	–	–	–	(10,370)
Depreciation	(401)	(739)	(717)	(5,037)	(1,983)	(524)	(23,174)	(32,575)
Closing net book amount	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
At 31 December 2013								
Cost	9,052	6,024	6,206	50,886	38,368	3,149	278,257	391,942
Accumulated depreciation	(761)	(4,821)	(4,535)	(30,591)	(36,789)	(921)	(112,619)	(191,037)
Net book amount	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
Year ended 31 December 2014								
Opening net book amount	8,291	1,203	1,671	20,295	1,579	2,228	165,638	200,905
Exchange differences	(23)	(1)	–	(3)	–	(1)	23	(5)
Additions	–	243	631	927	1,111	–	1,180	4,092
Disposals	–	(28)	(2)	(36)	(34)	–	(340)	(440)
Distribution of subsidiaries *(Note 38(c))*	(5,229)	(803)	(1,871)	(18,538)	(1,470)	(1,707)	(158,676)	(188,294)
Depreciation	(188)	(254)	(270)	(2,063)	(656)	(298)	(7,825)	(11,554)
Closing net book amount	2,851	360	159	582	530	222	–	4,704
At 31 December 2014								
Cost	3,237	1,585	1,341	2,003	27,749	672	–	36,587
Accumulated depreciation	(386)	(1,225)	(1,182)	(1,421)	(27,219)	(450)	–	(31,883)
Net book amount	2,851	360	159	582	530	222	–	4,704

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

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

As at 31 December 2013, certain of the Group's leasehold land and buildings with net book amount of HK$5,344,000 were pledged to secure bank borrowings granted to the Group and certain of the Group's property, plant and equipment with net book amount of HK$442,000 were collateralised against the banking facilities granted to the Group. Details are set out in Note 29. As at 31 December 2014, no property, plant and equipment was either pledged or collateralised.

18. PREPAID LAND LEASE PAYMENTS

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

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

19. INVESTMENT PROPERTIES

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

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

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
At 1 January		
Cost	10,370	–
Accumulated depreciation	(178)	–
Net book amount	10,192	–
Opening net book amount	10,192	–
Transfer from property, plant and equipment (Note 17)	–	10,370
Distribution of subsidiaries (Note 38(c))	(10,091)	–
Acquisition of assets and liabilities through acquisition of a subsidiary (Note 39)	30,000	–
Depreciation	(395)	(178)
Closing net book amount	29,706	10,192
At 31 December		
Cost	30,000	10,370
Accumulated depreciation	(294)	(178)
Net book amount	29,706	10,192

All of the investment properties as at 31 December 2014 and 2013 were pledged to secure bank borrowings granted to the Group (Note 29). As at 31 December 2014 and 2013, the Group's investment properties were situated in Hong Kong and were held under medium-term leases.

As at 31 December 2014, the fair value of the investment properties was approximately HK$30,100,000 (2013: HK$17,900,000) which is a level 3 recurring fair value measurement and was based on the valuation performed by an independent professional valuer. For investment properties which are subject to tenancy, the fair value was estimated using an investment approach by taking into account the current passing rent of these properties being held under existing tenancy and the revisionary potential of the tenancy if they have been or would be let to tenant. For investment properties which are not subject to tenancy but hold for appreciation, the fair value was estimated using a comparison approach assuming sale in its existing state with the benefit of vacant possession by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have been made to account for the differences between the properties and the comparables in terms of other relevant factors. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

There were no changes to the valuation techniques during the year.

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	**2013**
	HK$'000	*HK$'000*
Unlisted shares, at cost	62,029	64,171

Details of principal subsidiaries are set out in Note 41 to the financial statements.

Non-controlling interests

As at 31 December 2013, 1010 Printing Group Limited, a 60.32% owned subsidiary of the Company, had material non-controlling interests (NCI).

On 2 May 2014, the Company distributed its equity interest of 1010 Printing Group Limited to its shareholders. Following the distribution, 1010 Printing Group Limited ceased to be a subsidiary of the Company and the Group has no NCI as at 31 December 2014.

Summarised financial information in relation to the NCI of 1010 Printing Group Limited, before intra-group eliminations, was presented below:

	HK$'000
For the year ended 31 December 2013	
Revenue	1,163,542
Profit for the year	121,421
Total comprehensive income	125,620
Profit allocated to NCI	47,895
Dividends paid to NCI	6,111
Cash flows from operating activities	128,736
Cash flows from investing activities	(106,234)
Cash flows from financing activities	(6,857)
Net cash inflows	15,645
As at 31 December 2013	
Current assets	625,341
Non-current assets	282,993
Current liabilities	(245,894)
Non-current liabilities	(967)
Net assets	661,473
Accumulated non-controlling interests	262,784

21. INTANGIBLE ASSETS

Group

	Goodwill	Non competition covenants	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2013			
Gross carrying amount	79,865	741	80,606
Accumulated impairment	(14,119)	–	(14,119)
Net carrying amount	65,746	741	66,487
Year ended 31 December 2013			
Net carrying amount as at 1 January 2013	65,746	741	66,487
Amortisation	–	(370)	(370)
Net carrying amount at 31 December 2013	65,746	371	66,117
At 31 December 2013			
Gross carrying amount	79,865	741	80,606
Accumulated amortisation and impairment	(14,119)	(370)	(14,489)
Net carrying amount	65,746	371	66,117
Year ended 31 December 2014			
Net carrying amount as at 1 January 2014	65,746	371	66,117
Amortisation	–	(124)	(124)
Distribution of subsidiaries *(Note 38(c))*	(65,746)	(247)	(65,993)
Net carrying amount at 31 December 2014	–	–	–
At 31 December 2014			
Gross carrying amount	14,119	–	14,119
Accumulated impairment	(14,119)	–	(14,119)
Net carrying amount	–	–	–

22. AMOUNTS DUE FROM SUBSIDIARIES – COMPANY

	2014	2013
	HK$'000	*HK$'000*
Amounts due from subsidiaries	98,688	356,633
Less: Impairment losses	(48,355)	(31,360)
	50,333	325,273

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

23. AMOUNTS DUE TO SUBSIDIARIES – COMPANY

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

24. INVENTORIES – GROUP

	2014	2013
	HK$'000	*HK$'000*
Raw materials	–	56,788
Work-in-progress	–	22,737
Finished goods	–	277
	–	79,802

During the year, the Group wrote down the carrying value of inventories of HK$400,000 (2013: HK$5,071,000) and reversed write-down of inventories of HK$5,246,000 (2013: HK$78,000) as a result of an increase in the estimated net realisable value of the inventories. As at 31 December 2013, the Group's inventories of HK$17,317,000 were collateralised against the banking facilities as set out in Note 29.

25. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables	37,598	447,856
Less: Provision for impairment of trade receivables	(5,463)	(12,909)
Trade receivables – net	32,135	434,947
Other receivables and deposits	36,295	57,762
	68,430	492,709

As at 31 December 2013, the Group's trade and other receivables of HK$139,365,000 were collateralised against the banking facilities as set out in Note 29.

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
Balance at the beginning of the year	12,909	15,374
Amounts written off during the year	(122)	(2,534)
Impairment loss recognised during the year	4,903	9,562
Impairment loss recovered during the year	(4,094)	(9,633)
Distribution of subsidiaries *(Note 38(c))*	(8,148)	–
Exchange differences	15	140
Balance at the end of the year	5,463	12,909

The Group recognised provision for impairment of trade receivables based on the accounting policy stated in Note 2.9.

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

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
0 – 30 days	13,780	104,805
31 – 60 days	5,710	77,914
61 – 90 days	54	65,521
91 – 120 days	2,761	102,614
121 – 150 days	3,752	46,819
Over 150 days	6,078	37,274
Total trade receivables	32,135	434,947

The Group allows a credit period from 7 to 120 days (2013: 7 to 150 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 of the reporting dates, the Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 December 2014, the Group determined trade receivables of HK$5,463,000 (2013: HK$12,909,000) as impaired and as a result, impairment loss of HK$4,903,000 (2013: HK$9,562,000) has been recognised. The impaired trade receivables are due from customers experiencing financial difficulties.

At 31 December 2014, the 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:

	2014	**2013**
	HK$'000	*HK$'000*
Neither past due nor impaired	16,120	295,851
1 – 30 days past due	4,205	75,465
31 – 90 days past due	7,166	57,342
Over 90 days past due but less than one year	4,644	6,289
	16,015	139,096
	32,135	434,947

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 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 Group did not hold any collateral in respect of these balances.

Other receivables and deposits as at 31 December 2014 included deposits paid to airlines of HK$17,950,000 (2013: HK$19,685,000) in accordance with the relevant agreements of the inflight business.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Held for trading				
Equity securities, listed in Hong Kong	1,591	804	747	–
Forward foreign exchange contracts	–	694	–	–
Fair value	1,591	1,498	747	–

The fair values of the Group's investments in listed equity securities have been measured as described in Note 42.

Forward foreign exchange contracts were considered by management as part of economic hedging arrangements but had not been formally designated as hedges in accordance with HKAS 39. These foreign exchange contracts were stated at fair value as described in Note 42.

27. PLEDGED CASH AND BANK BALANCES AND CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank and cash balances	68,386	267,435	15,258	69,564
Cash at brokers	–	4,898	–	831
Short-term deposits	83,229	110,189	83,229	81,664
Cash and cash equivalents	151,615	382,522	98,487	152,059

Short-term bank deposits of the Group as at 31 December 2014 earned interest at the rates ranging from 2.8% to 3.6% (2013: 1.3% to 1.8%) per annum. These deposits had maturity of 15 to 30 days (2013: 7 to 90 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.

Included in bank and cash balances of the Group is HK$29,424,000 (2013: HK$92,249,000) of bank balances 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 Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

As at 31 December 2013, the Group's cash at banks and in hand of HK$33,365,000 were collateralised against the banking facilities as set out in Note 29. As at 31 December 2014, no cash and bank balances were collateralised.

28. TRADE AND OTHER PAYABLES – GROUP

	2014	2013
	HK\$'000	*HK\$'000*
Trade payables	34,026	127,189
Other payables and accruals	35,714	153,910
	69,740	281,099

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

	2014	2013
	HK\$'000	*HK\$'000*
0 – 30 days	6,112	56,458
31 – 60 days	5,327	29,799
61 – 90 days	4,486	21,503
91 – 120 days	6,264	11,284
Over 120 days	11,837	8,145
	34,026	127,189

Credit terms granted by suppliers are 30 days to 90 days save for the net balance payable to a major business partner of the Group which is settled on a half yearly (2013: half yearly) basis according to the terms of an agreement signed with this business partner.

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.

29. BANK BORROWINGS – GROUP

	2014	2013
	HK\$'000	*HK\$'000*
Current portion		
– Bank loans due for repayment within one year	1,164	23,139
– Bank loans due for repayment after one year which contain a repayment on demand clause	6,508	41,473
Total bank borrowings	7,672	64,612

The current portion includes bank borrowings of HK\$6,508,000 (2013: HK\$41,473,000) which are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at their discretion. None of the portion of these bank loans due for repayment after one year which contain a repayment on demand clause and classified as current liabilities is expected to be settled within one year.

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

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

Bank borrowings as at 31 December 2014 represented bank loan of HK$7,672,000, which is secured by the corporate guarantees from the Company and the Group's investment properties of HK$29,706,000 (Note 19). These bank borrowings are repayable in seven years through monthly instalments.

Bank borrowings as at 31 December 2013 included (1) bank loans of HK$55,776,000, which are secured by either the corporate guarantee from the Company or a subsidiary of the Company; and (2) bank loan of HK$8,836,000, which is secured by the corporate guarantees from a subsidiary of the Company, the personal guarantee from the non-controlling shareholder of that subsidiary, the Group's leasehold land and buildings of HK$5,344,000 (Note 17) and the Group's investment properties of HK$10,192,000 (Note 19). These bank borrowings are repayable in three years to seven years through monthly instalments.

As at 31 December 2013, the general banking facilities granted to one of the Company's subsidiaries were secured by a charge over proceeds from documentary credit and an all-monies debenture over the assets and an undertaking of the subsidiary.

Effective interest rate of the bank borrowings ranged from 1.46% to 2.49% (2013: 1.44% to 2.54%) per annum for the year.

30. FINANCE LEASE LIABILITIES – GROUP

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

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

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

31. DEFERRED TAX

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

Group

Movements of major deferred tax liabilities/(assets) recognised in the statement of financial position during the current and prior year are as follows:

	Accelerated tax depreciation	Fair value adjustments arising from acquisition of subsidiaries	Impairment of trade receivables	Write-down of inventories	Provision of staff benefit costs	Non competition covenants	Temporary difference on withholding tax on undistributed profits of PRC subsidiaries	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	837	617	(857)	(1,495)	(1,451)	122	14,364	12,137
Exchange differences	(41)	–	–	(37)	(35)	–	–	(113)
(Credited)/Charged to profit or loss	(568)	–	–	(1,168)	(5,571)	–	2,060	(5,247)
At 31 December 2013 and 1 January 2014	228	617	(857)	(2,700)	(7,057)	122	16,424	6,777
Credited to profit or loss	–	–	–	–	–	–	(6,803)	(6,803)
Exchange difference	–	–	–	–	–	–	145	145
Disposal/Distribution of subsidiaries *(Note 38)*	(228)	(617)	857	2,700	7,057	(122)	(6,511)	3,136
At 31 December 2014	–	–	–	–	–	–	3,255	3,255

For the purpose of presentation in the statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2014	**2013**
	HK$'000	*HK$'000*
Deferred tax assets	–	(10,614)
Deferred tax liabilities	3,255	17,391
	3,255	6,777

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 Group is 10%. The 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.

Company

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

At the reporting date, the major components of unrecognised deductible temporary differences are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Difference between depreciation and depreciation allowance	(222)	(443)	–	–
Unutilised tax losses	17,087	18,239	7,546	5,910
	16,865	17,796	7,546	5,910

The deductible temporary differences have not been recognised in the financial statements as it is not probable that future taxable profit will be available against which these deductible temporary differences can be utilised. All tax losses and deductible temporary differences of the Group and the Company have no expiry dates under the current tax legislation.

As at 31 December 2013, deferred tax liabilities of HK$774,000 had not been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's subsidiaries established in the PRC as the Group controlled the dividend policy of these subsidiaries and the Directors were of the opinion that profits will not probably be distributed in the foreseeable future.

32. SHARE CAPITAL

	2014		2013	
	Number of shares	**Nominal value**	**Number of shares**	**Nominal value**
	'000	*HK$'000*	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.20 each	500,000	100,000	500,000	100,000
Issued and fully paid:				
Ordinary shares of HK$0.20 each				
At 1 January	332,410	66,482	328,160	65,632
Shares issued upon exercise of share options *(Note 33)*	1,224	245	4,250	850
At 31 December	333,634	66,727	332,410	66,482

33. SHARE-BASED EMPLOYEE COMPENSATION

Share option scheme of the Company

The share option scheme ("the Share Option Scheme") was adopted by the Company pursuant to its resolution passed on 13 July 2007 and expires on 12 July 2017. The purpose of the Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing the value of the Group and its shares for the benefit of the Company and its shareholders as a whole. The board of directors may, at its discretion, offer to directors, employees of any member of the Group, any advisors and service providers of any member of the Group, options to subscribe for the shares in the Company at a price not less than the highest of: (i) the closing price of the shares of the Company on the SEHK on the date of offer of the option; (ii) the average of the closing prices of the shares on the SEHK 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 options vest on the condition that the grantee is a director or employee of any member of the Group or any advisor and service provider of any member of the Group from the date of options grant to the commencement date of the exercisable period of the options.

The options are exercisable at any time during the period to be determined and notified by the Directors to the grantee at the time of making an offer in respect of any particular option which shall not expire later than ten years from the date of grant.

The share-based employee compensation is to be settled by the issue of the Company's ordinary shares. The Group has no legal or constructive obligation to repurchase or settle the options other than in the Company's ordinary shares.

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$*
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
23.06.2010	4,860,000	23.06.2010 to 22.06.2011	23.06.2011 to 22.06.2015	1.636
23.06.2010	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

The following table shows the movements in the outstanding options granted under the Share Option Scheme:

	Number of share options		
Grantees	**Outstanding at 1 January 2014**	**Exercised during the year**	**Outstanding at 31 December 2014**
Employees	1,374,000	(1,224,000)	150,000
Weighted average exercise price	HK$1.654	HK$1.704	HK$1.600

	Number of share options		
Grantees	**Outstanding at 1 January 2013**	**Exercised during the year**	**Outstanding at 31 December 2013**
Employees	5,624,000	(4,250,000)	1,374,000
Weighted average exercise price	HK$1.663	HK$1.643	HK$1.654

Notes:

(i) No new share options were granted during the years ended 31 December 2013 and 2014.

(ii) The following significant assumptions were used to derive the fair values of the options granted under the Share Option Scheme, using the Black-Scholes option pricing model:

Date of grant	16.12.2011	23.6.2010	11.6.2010
Expected volatility	41.28%	43.60%	43.64%
Expected life (in years)	4	4	4
Risk-free interest rate (being the approximate yield of Exchange Fund on the grant date)	0.728%	1.298%	1.298%
Expected dividend yield	5%	4.94%	5.00%

The underlying expected volatility was determined by reference to historical data, calculated based on expected life of share options. Expectations of early exercise were incorporated into the Black-Scholes option pricing model. No special features pertinent to the options granted were incorporated in the measurement of fair value.

(iii) No share-based employee compensation expense in respect of share option scheme was included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014 with a corresponding credit in equity (2013: HK$52,000). No liabilities were recognised as these were all equity-settled share-based payment transactions.

(iv) As at 31 December 2014, 150,000 (2013: 1,374,000) share options are exercisable and the weighted average exercise price of these share options is HK$1.600 (2013: HK$1.654).

(v) As at 31 December 2014, the weighted average remaining contractual life for the outstanding share options is 161 days (2013: 633 day).

(vi) The weighted average closing price of the shares of the Company quoted on the SEHK immediately before the dates on which the options were exercised was HK$2.924 (2013: HK$2.714).

Share option scheme of a former subsidiary

A new share option scheme ("the 1010 Share Option Scheme") was adopted by 1010 Printing Group Limited, a former subsidiary of the Company, pursuant to its resolution passed on 22 April 2013 and effective for a period of ten years commencing from the adoption date. The purpose of the 1010 Share Option Scheme is to reward participants who have contributed to the 1010 Printing Group Limited and its subsidiaries ("1010 Group") and to encourage participants to work towards enhancing the value of the 1010 Group and its shares for the benefit of 1010 Printing Group Limited and its shareholders as a whole. The board of directors of 1010 Printing Group Limited may, at its discretion, offer to directors, employees of any member of the 1010 Group, any advisors and service providers of any member of the 1010 Group, options to subscribe for the shares in the 1010 Printing Group Limited at a price not less than the highest of: (i) the closing price of the shares of the 1010 Printing Group Limited on the SEHK on the date of offer of the option; (ii) the average of the closing prices of the shares on the SEHK 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 options vest on the condition that the grantee is a director or employee of any member of the 1010 Group or any advisor and service provider of any member of the 1010 Group from the date of options grant to the commencement date of the exercisable period of the options.

The options are exercisable at any time during the period to be determined and notified by the directors of 1010 Printing Group Limited to the grantee at the time of making an offer in respect of any particular option which shall not expire later than ten years from the date of grant.

The share-based employee compensation is to be settled by the issue of the ordinary shares of 1010 Printing Group Limited. The 1010 Group has no legal or constructive obligation to repurchase or settle the options other than in the ordinary shares of 1010 Printing Group Limited.

As mentioned in Note 14 to the financial statements, on 2 May 2014, the Company distributed its equity interest of 1010 Printing Group Limited to its shareholders and since then, 1010 Printing Group Limited ceased to be subsidiary of the Company and 1010 Share Option Scheme is no longer a share option scheme of the Group. During the period from 1 January 2014 to 2 May 2014, there was no share option issued under the 1010 Share Option Scheme.

Share award scheme of a former subsidiary

A share award scheme ("1010 Share Award Scheme") was adopted by 1010 Printing Group Limited. The purpose of the 1010 Share Award Scheme was to recognise and motivate the contribution of participants and to incentivise them to further the operation and development of 1010 Group and to attract suitable personnel for the 1010 Group. The 1010 Share Award Scheme shall be valid and effective for a term of ten years commencing from the adoption date.

As mentioned in Note 14 to the financial statements, on 2 May 2014, the Company distributed its equity interest of 1010 Printing Group Limited to its shareholders and since then, 1010 Printing Group Limited ceased to be subsidiary of the Company and 1010 Share Award Scheme is no longer a share award scheme of the Group. Equity-settled share-based payment expenses in respect of 1010 Share Award Scheme of HK$2,780,000 for the period from 1 January 2014 to 2 May 2014 have been recognised in profit or loss (2013: HK$976,000), which is based on the fair value of share awards on the grant date.

34. RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 28 to 29.

	Company					
	Share premium	Employee compensation reserve	Contributed surplus	Proposed final and special dividends	Retained earnings/ (Accumulated losses)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	108,238	2,123	20,290	98,589	9,125	238,365
Equity-settled share-based payment expense	–	52	–	–	–	52
Exercise of share options	7,815	(1,637)	–	–	–	6,178
Final 2012 dividends paid *(Note 15)*	–	–	–	(98,589)	(717)	(99,306)
Share issue expenses	(31)	–	–	–	–	(31)
Profit for the year	–	–	–	–	85,884	85,884
Interim 2013 dividends paid *(Note 15)*	–	–	–	–	(26,497)	(26,497)
Proposed final 2013 dividends *(Note 15)*	–	–	–	66,488	(66,488)	–
At 31 December 2013 and 1 January 2014	116,022	538	20,290	66,488	1,307	204,645
Exercise of share options	2,027	(197)	–	–	–	1,830
Final 2013 dividends paid *(Note 15)*	–	–	–	(66,488)	(239)	(66,727)
Distribution in specie *(Note 15)*	–	–	(5,000)	–	(454,114)	(459,114)
Transfers	(118,049)	–	118,049	–	–	–
Profit for the year	–	–	–	–	448,722	448,722
Interim 2014 dividends paid *(Note 15)*	–	–	–	–	(18,350)	(18,350)
Proposed final 2014 dividends *(Note 15)*	–	–	(20,018)	20,018	–	–
At 31 December 2014	–	341	113,321	20,018	(22,674)	111,006

The Company's reserves available for distribution comprise its contributed surplus and retained earnings.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

35. OPERATING LEASE COMMITMENTS

Group

As lessor

As at 31 December 2014, the total future minimum lease receivables of the Group under non-cancellable operating leases in respect of rented office premises are receivable as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Within one year	121	234
In the second to fifth years, inclusive	–	121
	121	355

The Group leases out its investment properties under operating lease arrangements with terms ranging from one to two years. None of the leases include contingent rentals.

As lessee

As at 31 December 2014, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

	Rented premises and production facilities		**Internet access line**	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	4,975	13,883	48	130
In the second to fifth years inclusive	9,410	45,317	–	48
Over five years	–	13,782	–	–
	14,385	72,982	48	178

The Group leases a number of properties and production facilities and internet access line under operating leases. The leases run for an initial period from one to eight years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases include contingent rentals.

Company

The Company did not have operating lease commitments as at 31 December 2013 and 2014.

36. CAPITAL COMMITMENTS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Contracted but not provided for in respect of acquisition of property, plant and equipment	–	950	–	–

37. CORPORATE GUARANTEES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Corporate guarantees given and utilised	–	–	7,672	–

As at 31 December 2014, the Company provided corporate guarantees to its wholly owned subsidiary for bank borrowings of HK$7,672,000.

In the opinion of the directors of the Company, no material liabilities will arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Company is immaterial.

38. DISPOSAL/DISTRIBUTION OF SUBSIDIARIES

(a) Disposal of SAR Media Limited

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

	HK$'000
Trade and other receivables	125
Amounts due from group companies	89,093
Cash and cash equivalents	3,175
Other payables	(65,363)
Amount due to group company	(12,345)
Provision for taxation	(5,006)
Deferred tax liabilities	(6,511)
	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, the Group disposed its entire interests in 北京海溢吉盛廣告有限公司 to independent third parties at the consideration of HK$8,743,000. Its net assets at the date of disposal are as follows:

	HK$'000
Other receivables	11,408
Cash and cash equivalents	1,205
Other payables	(451)
Amount due to group company	(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

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

As mentioned in Note 14 to the financial statements, on 2 May 2014, the Company distributed its equity interest of 1010 Printing Group Limited to its shareholders and since then, 1010 Printing Group Limited ceased to be subsidiary of the Company. Before the distribution, the Group had 464,430,000 shares of 1010 Printing Group Limited, 463,751,000 shares were distributed upon the distribution and the remaining 679,000 shares were classified as financial assets at fair value through profit or loss.

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

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

(d) Disposal of Cin Concept Limited

During the year ended 31 December 2013, the Group disposed its entire interests in Cin Concept Limited to independent third parties at the consideration of HK$2. Its net assets at the date of disposal were as follows:

	HK$'000
Trade and other receivables	399
Cash and cash equivalents	307
Trade and other payables	(57)
Provision for taxation	(89)
Amount due to intermediate holding company	(157)
Amount due to immediate holding company	(392)
	11
Loss on disposal of a subsidiary	(11)
Total consideration satisfied by cash	–
Net cash outflow arising on disposal:	
Cash consideration	–
Cash and cash equivalents disposed of	(307)
	(307)

39. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

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

Details of the assets and liabilities acquired are as follows:

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

40. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save as disclosed elsewhere in the financial statements, details of other significant transactions between the Group and other related parties during the year are disclosed as follows:

(a) Related party transactions

Name of related parties	Nature of transactions	2014	2013
		HK$'000	*HK$'000*
Related company			
O.G. Printing Productions Limited	Rental income	93	–
1010 Printing International Limited	Rental income	127	–
		220	–

During the year, rental income was received from related companies, O.G. Printing Productions Limited and 1010 Printing International Limited, in which Mr. Lau Chuk Kin, a director and controlling shareholder of the Company, is a director and has significant influence over these companies, for leasing of office premises. The monthly rental was determined at the market rate at the date when the lease arrangement was entered into.

The above related party transactions constituted exempted connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the SEHK.

On 1 September 2014, the Group acquired 80% equity interest of Express Ocean Investment Limited from Naturbest Investment Limited, a subsidiary of 1010 Printing Group Limited, at the consideration of HK$13,920,000. This transaction constituted a connected transaction as defined in Chapter 14A of the Rules Governing the Listing of Securities on the SEHK.

(b) Compensation of key management personnel

The key management personnel of the Group are the directors of the Company. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. Details of the remuneration paid to them are set out in Note 10(a) to the financial statements.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of company	Date of incorporation/ establishment	Place/Country of incorporation/establishment and type of legal entity	Class of shares	Issued and fully paid share capital/ registered capital	Percentage of issued capital held by the Company ^	Principal activities and place of operations
Express Ocean Investment Limited 飛洋投資有限公司	5 May 2008	Hong Kong, limited liability company	Ordinary	HK$2,000	100% (2013: 48.26%#)	Property investment, Hong Kong
Central Publisher Limited 卓越出版社有限公司 Hong Kong	26 September 1997	Hong Kong, limited liability company	Ordinary	HK$1,000	100%	Publishing and investment trading,
Recruit (BVI) Limited	15 March 2000	British Virgin Islands, limited liability company	Ordinary	US$10,000	100%	Investment holding, Hong Kong
Recruit (China) Holdings Limited 才庫（中國）控股有限公司	3 November 2004	British Virgin Islands, limited liability company	Ordinary	US$1	100%	Investment holding, Hong Kong
Recruit Group Limited	8 January 2007	British Virgin Islands, limited liability company	Ordinary	US$10,000	100%	Investment holding, Hong Kong
Recruit Human Resources Group Limited 才庫招聘資源有限公司	7 April 2005	British Virgin Islands, limited liability company	Ordinary	US$2,564,102	100%	Investment holding, Hong Kong
Recruit Information Technology Limited 才庫媒體集團有限公司	7 November 2003	Hong Kong, limited liability company	Ordinary	HK$1,000	100%	Provision of website development and information technology services, Hong Kong
Recruit & Company Limited (formerly known as Recruit Management Services Limited 才庫管理有限公司)	13 April 2006	Hong Kong, limited liability company	Ordinary	HK$1	100%	Provision of advertising service, Hong Kong
CinMedia Limited 先傳媒有限公司	26 July 2004	Hong Kong, limited liability company	Ordinary	HK$1	100%	Provision of advertising services, Hong Kong
台灣先傳媒有限公司 CinMedia (Taiwan) Limited	12 January 2010	Taiwan, limited liability company	Ordinary	TWD250,000	100%	Provision of advertising services, Taiwan
Media Services Limited (formerly known as Recruit Advertising Limited 才庫廣告有限公司)	30 April 1999	Hong Kong, limited liability company	Ordinary	HK$52,000,000	100%	Provision of advertising services, Hong Kong
Easking Limited 宜勁有限公司	15 September 2004	Hong Kong, limited liability company	Ordinary	HK$1	100%	Investment holding and provision of advertising services, Hong Kong
才庫企業管理顧問（上海）有限公司* Recruit Management Consulting (Shanghai) Company Limited	5 January 2005	PRC, limited liability company	N/A	US$2,000,000 (registered capital)	100%	Investment holding and provision of corporate management service, PRC
海蘊廣告（上海）有限公司* Iguazu (Shanghai) Advertising Company Limited	8 December 2008	PRC, limited liability company	N/A	US$300,000 (registered capital)	100%	Provision of advertising services, PRC
Eastern Inflight Magazine Productions Limited 中國香港航機雜誌製作有限公司	12 February 2004	British Virgin Islands, limited liability company	Ordinary	US$100	100%	Provision of advertising services, Hong Kong
Southern Inflight Magazine Production Limited 東南航機雜誌製作有限公司	19 April 2005	Anguilla, limited liability company	Ordinary	US$1	100%	Provision of advertising services, Hong Kong

Name of company	Date of incorporation/ establishment	Place/Country of incorporation/establishment and type of legal entity	Class of shares	Issued and fully paid share capital/ registered capital	Percentage of issued capital held by the Company ^	Principal activities and place of operations
灝天廣告（上海）有限公司*	7 February 2013	PRC, limited liability company	N/A	US$160,000 (registered capital)	100%	Provision of advertising services, PRC
廣州天晋廣告有限公司*	17 October 2013	PRC, limited liability company	N/A	HK$1,000,000 (registered capital)	100%	Provision of advertising services, PRC

* BDO Limited is not the statutory auditors of the accounts of these companies. The English translation of Chinese names of PRC subsidiaries, if any, is included for identification only and should not be regarded as their official English translation.

^ All principal subsidiaries are indirectly held by the Company except for Recruit (BVI) Limited.

The Group's interests in these companies were held by the Company's subsidiary, 1010 Printing Group Limited which held 80% of the issued shares of each of these companies as at 31 December 2013.

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the particulars of the subsidiaries which materially affect the results or assets of the Group.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Current assets				
Financial assets at fair value through profit or loss – held for trading	1,591	1,498	747	–
Loans and receivables:				
– Trade and other receivables	38,159	442,357	–	–
– Amounts due from subsidiaries	–	–	50,333	325,273
– Pledged cash and bank balances	–	33,365	–	–
– Cash and cash equivalents	151,615	382,522	98,487	152,059
	191,365	859,742	149,567	477,332
Financial liabilities				
Financial liabilities measured at amortised cost:				
– Trade and other payables	69,740	281,099	300	564
– Amounts due to subsidiaries	–	–	33,855	270,093
– Bank borrowings	7,672	64,612	–	–
– Finance lease liabilities	–	526	–	–
	77,412	346,237	34,155	270,657

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		2014 – Group			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets					
Listed securities held for trading	(a)	1,591	–	–	1,591
Net fair values		1,591	–	–	1,591

		2013 – Group			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets					
Listed securities held for trading	(a)	804	–	–	804
Forward foreign exchange contracts	(b)	–	694	–	694
Net fair values		804	694	–	1,498

		2014 – Company			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets					
Listed securities held for trading	(a)	747	–	–	747
Net fair values		747	–	–	747

There have been no significant transfers between levels 1 and 2 in the reporting period.

The methods and valuation techniques used for the purpose of measuring fair value remain unchanged compared to the previous reporting periods.

(a) Listed securities

The listed debt and equity securities are denominated in Hong Kong dollars. Fair values have been determined by reference to their quoted bid prices at the reporting date.

(b) Derivatives

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated using a valuation technique that maximises the use of observable market inputs e.g. market currency and interest rates (Level 2). Most derivatives entered into by the Group are included in Level 2 and consist of foreign currency forward contracts.

43. FINANCIAL RISK MANAGEMENT

The 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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by closely monitoring the individual exposure.

The 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 Group's exposure to a variety of risks which resulted from its operating and investing activities. Generally, the Group employs 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 Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Group's financial assets are summarised in Note 42 above.

The directors of the Company consider the Group does not have a significant concentration of credit risk. The top five customers accounted for 54% of total sales during the year. In this regard, the Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

The 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 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 Group for a number of years and are considered to be effective in limiting the Group's exposure to credit risk to a desirable level. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 25 to the financial statements.

The Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the 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.

For the year ended 31 December 2014
The Group does not have material exposure to currency risk since the distribution of 1010 Printing Group Limited as most of the Group's transactions are carried out in HK$ or RMB, which is the functional currency of the corresponding group entities. The 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 Group's sensitivity to the change in foreign currency exchange rates is low.

For the year ended 31 December 2013
Most of the sales transactions of the Group were denominated in United States Dollars ("US$"), Australian Dollars ("AUD"), RMB and HK$ and there were expenses and capital expenditures denominated in US$, RMB and HK$. Certain trade receivables and trade payables of the Group were denominated in foreign currencies, mainly US$, AUD and RMB.

To mitigate the impact of exchange rate fluctuations, the Group continuously assessed and monitored the exposure to foreign currency risk. During the year ended 31 December 2013, management of the Group had used foreign currency forward contracts to hedge the exposure to foreign exchange risk when the need arises.

Foreign currency denominated financial assets of the Group as at 31 December 2013 were as follows:

	US$'000	*RMB'000*	*AUD'000*
Trade and other receivables	41,386	12,293	4,154
Cash and cash equivalents	14,480	111,812	2,945
Bank borrowings	(4,500)	–	–
Trade and other payables	(3,305)	(45,410)	(69)
	48,061	78,695	7,030
Notional amounts of forward foreign exchange contracts	4,724	6,207	(5,000)
	52,785	84,902	2,030

The following table illustrates the sensitivity of the net results for the year and retained earnings in respect of the Group's foreign currency denominated financial assets and liabilities at the reporting date and the reasonably possible changes in the foreign exchange rates in the next twelve months to which the Group had significant exposure at the reporting date, based on the assumption that other variables were held constant. Changes in foreign exchange rates had no impact on the Group's other components of equity.

Group

	Increase/ (Decrease) in foreign exchange rates	**Effect on profit after tax and retained earnings** *HK$'000*
US$	0.1%	408
	(0.1%)	(408)
RMB	2.4%	2,567
	(2.4%)	(2,567)
AUD	13.9%	1,919
	(13.9%)	(1,919)

Exposures to foreign exchange rates varied during the year depending on the volume of overseas transactions. Nonetheless, the analysis above was considered to be representative of the Group's exposure to currency risk.

The Company is not exposed to any foreign currency risk.

(c) Interest rate risk

The Group does not have material exposure to interest rate risk, as the Group has no financial assets and liabilities of material amounts with floating interest rates except for deposits held in banks, certain bank borrowings and finance lease contracts. Cash at bank earns interest at floating rates based on the daily bank deposit rates during the year. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest expense. The terms of repayment of bank borrowings and obligations under finance leases are set out in Notes 29 and 30 to the financial statements respectively.

During the year, 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 Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationships with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term. The Group had net current assets of HK$142,720,000 (2013: HK$630,652,000) and net assets of HK$179,526,000 (2013: HK$906,934,000) as at 31 December 2014. In the opinion of directors, the Group's exposure to liquidity risk is limited.

The following table details the remaining contractual maturities at each of the reporting dates of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on current rates at the reporting date) and the earliest date the Group may be required to pay.

Specifically, for term loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity is required to pay, that is if the banks were to invoke the unconditional rights to call the loans with immediate effect.

Group

	Carrying amount	Total contractual undiscounted cash flow	Within three months or on demand	More than three months but less than one year
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2014				
Non-derivative financial liabilities				
Trade and other payables	69,740	69,740	69,740	–
Bank borrowings	7,672	7,672	7,672	–
	77,412	77,412	77,412	–
As at 31 December 2013				
Non-derivative financial liabilities				
Trade and other payables	281,099	281,099	272,433	8,666
Finance lease liabilities	526	527	527	–
Bank borrowings	64,612	64,612	64,612	–
	346,237	346,238	337,572	8,666

The table that follows summarises the maturity analysis of those term loans with repayment-on-demand clause based on the agreed scheduled repayments set out in the loan agreements. The amounts included interest payments computed using contractual rates. As a result, these amounts are greater than the amounts disclosed in the "on demand" time band in the above maturity analysis. Taking into account the Group's financial position, the directors of the Company do not consider that it is probable that the banks will exercise their discretion to demand immediate repayment, the directors of the Company believe that such term loans will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements.

Group

	Carrying amount	Total contractual undiscounted cash flow	Within three months or on demand	More than three months but less than one year	More than one year but less than five years	Over five years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Term loans subject to repayment-on-demand clause based on scheduled repayments:						
31 December 2014	7,672	8,265	336	1,003	6,926	–
31 December 2013	64,612	67,291	6,156	18,286	39,772	3,077

Company

	Carrying amount	Total contractual undiscounted cash flow	Within three months or on demand
	HK$'000	*HK$'000*	*HK$'000*
As at 31 December 2014			
Other payables	300	300	300
Amounts due to subsidiaries	33,855	33,855	33,855
	34,155	34,155	34,155
Financial guarantees issued			
Maximum amount guaranteed	7,672	7,672	7,672
As at 31 December 2013			
Other payables	564	564	564
Amounts due to subsidiaries	270,093	270,093	270,093
	270,657	270,657	270,657

(e) Other pricing risk

The Group has invested in listed equity securities which are measured at fair value at each reporting date. Therefore, the Group is exposed to equity price risk. The Group monitors the price movements and takes appropriate action when it is required. Sensitivity of the Group's profit after tax and retained earnings to a reasonable change in the equity price is assessed to be immaterial. Changes in equity prices have no impact on other components of equity.

(f) Fair values

The directors of the Company consider the fair values of the 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. The fair values of non-current financial assets and liabilities were not disclosed because these are not materially different from their carrying amounts.

44. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The 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 Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The 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 2014 and 2013 amounted to approximately HK$179,526,000 and HK$906,934,000 respectively, which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities."

3. UNAUDITED FINANCIAL INFORMATION OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2015

The following financial information is extracted from the interim report of the Company for the six months ended 30 June 2015 (the "**2015 Interim Report**"):

"**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
Discontinued operations			
(Loss)/Profit for the period from discontinued operations	7	(30,396)	88,651
(Loss)/Profit for the period		(22,571)	95,635

	Notes	(Unaudited) Six months ended 30 June 2015 HK$'000	2014 HK$'000
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		HK2.35 cents	HK2.10 cents
– Diluted		HK2.35 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

		(Unaudited)	
		Six months ended 30 June	
		2015	2014
	Notes	*HK$'000*	*HK$'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)		**Non-current assets**	
	Six months ended 30 June		**As at 30 June**	**As at 31 December**
	2015	**2014**	**2015**	**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	Furniture and fixtures	Office equipment	Leasehold improve–ments	Computer equipment and systems	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*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 (Unaudited) *HK$'000*	Six months ended 30 June 2014 (Unaudited) *HK$'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

	Six months ended 30 June	
	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."

4. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, 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.

5. MATERIAL CHANGE

The Directors confirmed that as at the Latest Practicable Date, save as disclosed below, there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Company were made up, to the Latest Practicable Date:

(i) on 3 March 2015, the Directors proposed a final dividend for the year ended 31 December 2014, which was approved by the Shareholders at the annual general meeting held on 28 April 2015. The total amount of dividend of approximately HK$20 million was paid on 15 May 2015;

(ii) as disclosed in the 2015 Interim Report, 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. The net loss was primarily attributable to the deteriorating financial performance of the inflight magazine business of the Group;

(iii) as announced by the Company on 10 June 2015, the Group was informed by China Southern Air Media Co., Ltd. that the Group's exclusive contracts for the sales and production of two inflight magazines published by China Southern Air Media Co., Ltd., Gateway and Nihao, will not be renewed when they expire in December 2015; and

(iv) on 1 June 2015, Recruit (BVI) and ER2 entered into the Disposal Agreement pursuant to which Recruit (BVI) conditionally agreed to dispose of and ER2 conditionally agreed to purchase the entire issued share capital and shareholders' loan(s) of each of CinMedia and Easking at a total consideration of HK$12.5 million. Details of the Disposal Agreement were disclosed in the Disposal Circular. As a result of the Disposal Agreement, the assets and liabilities of the CinMedia Group and the Easking Group were separately disclosed as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" in the consolidated statement of financial position of the Group contained in the 2015 Interim Report. The Disposal Agreement was completed on 25 August 2015. As disclosed in the Disposal Circular, it was 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. Following completion of the Disposal, the Group ceased to be engaged in the inflight magazine advertising business."

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Reproduced below are (i) the unaudited pro forma financial information of the Remaining Group and the text of the accountants' report of BDO Limited, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information of the Remaining Group, which are set out in Appendix III to the Disposal Circular; and (ii) the report from Optima Capital Limited in respect of the unaudited pro forma net assets of the Remaining Group, which is set out in Appendix IV to the Disposal Circular. Capitalised terms used in this appendix shall have the same meanings as those defined in the Disposal Circular.

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

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
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"

C. REPORT FROM OPTIMA CAPITAL LIMITED ON THE UNAUDITED PRO FORMA NET ASSETS OF THE REMAINING GROUP

"

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 information contained in this Composite Document (other than those relating to the Joint Offerors and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Joint Offerors and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests of the Directors in the Shares, convertible securities, warrants, options of the Company and derivatives in respect of any Shares are as follows:

Director	Capacity	Number of Shares held	Approximate % of Shareholding
Lam Mei Lan	Beneficial owner	2,400,000	0.719
Lee Ching Ming, Adrian	Beneficial owner	150,500	0.045
Peter Stavros Patapios Christofis	Beneficial owner	670,500	0.201
Cheng Ping Kuen, Franco	Beneficial owner	120,000	0.036

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest in the Shares, convertible securities, warrants, options of the Company and derivatives in respect of any Shares.

3. SHAREHOLDINGS AND DEALINGS

(i) None of the Company and the Directors owned or controlled or was interested in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code (the "**Relevant Securities**") of any of the Joint Offerors as at the Latest Practicable Date, nor had any of them dealt for value in any Relevant Securities of any of the Joint Offerors during the Relevant Period.

(ii) As at the Latest Practicable Date, save for the 2,400,000 Shares held by Ms. Lam Mei Lan (an executive Director), the 150,500 Shares held by Mr. Lee Ching Ming, Adrian (a non-executive Director), the 670,500 Shares held by Mr. Peter Stavros Patapios Christofis (a non-executive Director), and the 120,000 Shares held by Mr. Cheng Ping Kuen, Franco (an independent non-executive Director), none of the Directors owned or controlled or was interested in any Relevant Securities of the Company. The Directors who hold Shares as at the Latest Practicable Date do not intend to accept the Offer as the Directors intend to retain their investments in the Shares so as to maintain their investment portfolio.

(iii) Save for the disposal of an aggregate of 183,632,000 Sale Shares by ER2 (a company owned as to 67% by Mr. Lau Chuk Kin (an executive Director) and 12% by Mr. Wan Siu Kau (a non-executive Director)) and City Apex (a company owned as to 77% by ER2) pursuant to the Sale and Purchase Agreement, none of the Directors had dealt for value in any Relevant Securities of the Company during the Relevant Period.

(iv) None of the subsidiaries of the Company, pension fund of the Company or of any subsidiaries of the Company and any adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code owned or controlled any Relevant Securities of the Company as at the Latest Practicable Date and none of them had dealt in any Relevant Securities of the Company since the commencement of the Offer Period and up to and including the Latest Practicable Date.

(v) As at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code.

(vi) There were no Relevant Securities of the Company which were managed on a discretionary basis by fund managers connected with the Company as at the Latest Practicable Date and there were no fund managers connected with the Company had dealt in any Relevant Securities of the Company since the commencement of the Offer Period and up to and including the Latest Practicable Date.

(vii) As at the Latest Practicable Date, neither the Company nor any of the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives of the Company.

5. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK$100,000,000 divided into 500,000,000 Shares of HK$0.2 each and the issued share capital of the Company was HK$66,756,800 divided into 333,784,000 Shares of HK$0.2 each. All the existing issued Shares are fully paid and rank pari passu in all respects including all rights as to capital, dividends and voting.

On 5 June 2015, the Company issued 150,000 new Shares upon the exercise of share options granted by the Company under its share option scheme adopted on 23 July 2007. Save for the above, the Company had not issued any other new Shares since 31 December 2014, being the end of the last financial year of the Company.

As at the Latest Practicable Date, there were no outstanding options, warrants, derivatives or other securities which are convertible or exchangeable into Shares.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any members of the Group.

7. MATERIAL CONTRACTS

Save as disclosed below, there were no other material contracts entered into after the date two years before commencement of the Offer Period, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Remaining Group:

(i) 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; and

(ii) the Disposal Agreement.

8. ARRANGEMENT AFFECTING DIRECTORS

As at the Latest Practicable Date,

(i) none of the Directors had been given any benefit as compensation for loss of office or otherwise in connection with the Offer;

(ii) there was no agreement or arrangement between any Directors and any other persons which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and

(iii) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Joint Offerors in which any Director had a material personal interest.

9. DIRECTORS' SERVICE AGREEMENTS

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 or associated companies which:

(i) (including both continuous and fixed term contracts) have been entered into or amended within six months before the commencement of the Offer Period;

(ii) are continuous contracts with a notice period of 12 months or more; and

(iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

10. EXPERTS' QUALIFICATIONS AND CONSENTS

Set out below are the qualifications of the experts who have given opinions or advices contained in this Composite Document:

Name	Qualifications
BDO Limited ("**BDO**")	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 under the SFO
Optima Capital Limited ("**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, each of the above experts had given and had not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) at the principal place of business of the Company in Hong Kong at 26th Floor, 625 King's Road, North Point during normal business hours on any business day; (ii) on the SFC's website at http://www.sfc.hk; and (iii) on the Company's website at http://www.cinderellagroup.com.hk, from the date of this Composite Document up and including the Offer Closing Date:

(i) the memorandum of continuance and the bye-laws of the Company;

(ii) the annual reports of the Company for each of the two years ended 31 December 2013 and 2014;

(iii) the interim report of the Company for the six months ended 30 June 2015;

(iv) the letter from the Board as set out on pages 16 to 21 of this Composite Document;

(v) the letter from the Independent Board Committee as set out on pages 22 to 23 of this Composite Document;

(vi) the letter from BOSC International as set out on pages 24 to 46 of this Composite Document;

(vii) the accountant's report issued by BDO relating to the unaudited pro forma financial information on the Remaining Group which is reproduced in Appendix III to this Composite Document;

(viii) the report issued by Optima Capital on the unaudited pro forma net assets of the Remaining Group which is reproduced in Appendix III to this Composite Document;

(ix) the written consents referred to in the section headed "Experts' qualifications and consents" in this appendix; and

(x) the material contracts referred to in the section headed "Material contracts" in this appendix.

1. RESPONSIBILITY STATEMENT

All directors of the Joint Offerors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and the Remaining Group and the Vendors and parties acting in concert with any of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share *HK$*
2014	
31 December	1.64
2015	
30 January	1.75
27 February	1.70
31 March	1.62
30 April	1.99
29 May	3.20
Last Trading Day, being 1 June	3.32
30 June *(note)*	NA
31 July	2.61
Latest Practicable Date, being 28 August	2.06

Note: Trading of Shares was halted on 30 June 2015.

3. DISCLOSURE OF INTERESTS

Upsky is wholly-owned by Mr. Chen Jiarong. Metro Victory is owned as to 55% by Mr. Lau Kan Sum and as to 45% by Ms. Lau Chau In. Polaris is wholly-owned by Mr. Liu Gary Wei. For further details, please refer to the section headed "Information of the Joint Offerors" in the "letter from Bridge Partners and Kingston Securities" in this Composite Document.

Upon Sale and Purchase Completion, the Joint Offerors, their respective ultimate beneficial owners and parties acting in concert with any of them are interested in 183,632,000 Shares, representing approximately 55.015% of the entire issued share capital of the Company.

Save as disclosed above and as at the Latest Practicable Date, and save for the rights of Kingston Securities (a party presumed to be acting in concert with the Joint Offerors) over those Shares charged under the share charges in relation to the Loan Facilities, none of the Joint Offerors, its directors and parties acting in concert with any of them hold, or control or has direction over any other interest in Shares, options, warrants, derivatives or securities which are convertible into Shares of the Company.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE COMPANY

(a) Save for the Sale Shares, none of the Joint Offerors, their respective ultimate beneficial owners, their directors and parties acting in concert with any of them had dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

(b) Save for the Sale and Purchase Agreement, as at the Latest Practicable Date, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between any of the Joint Offerors or any parties acting in concert with any of them or associates of the Joint Offerors and any other person.

(c) As at the Latest Practicable Date, no person owning or controlling any shareholding in the Company with whom the Joint Offerors or any person acting in concert with the Joint Offerors had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code, and no such person had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

(d) As at the Latest Practicable Date, none of the Joint Offerors, their respective ultimate beneficial owners, and/or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

5. OTHER ARRANGEMENTS IN RELATION TO THE OFFER

As at the Latest Practicable Date:

(a) none of the Joint Offerors, their respective ultimate beneficial owners, and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;

(b) each of Upsky, Metro Victory and Polaris has created a charge over 91,816,000, 45,908,000 and 45,908,000 Sale Shares and a charge over the Offer Shares to be acquired by the Joint Offerors from those Shareholders who accept the Offer in favour of Kingston Securities, respectively, as a security for the Loan Facilities. Save for the total of 183,632,000 Sale Shares charged pursuant to the said share charges, as at the Latest Practicable Date, Kingston Securities did not hold any Shares. Under the abovementioned share charges, if there is any default under the Loan Facilities, Kingston Securities will be entitled to enforce the securities (including exercise of power of sale and foreclosure in respect of the Sale Shares and the Offer Shares) and all rights pertaining to such Shares will be transferred to Kingston Securities. The share charges shall be continuing securities and shall remain in full force and effect until discharge when each of the Joint Offerors repays all the outstanding amount under the Loan Facilities to Kingston Securities, which shall be six months from the Offer Closing Date. Save for the above, the Joint Offerors had no intention, nor had it entered into any agreement, arrangement or understanding to transfer, charge or pledge the Shares acquired pursuance with the Offer to any other persons;

(d) save as disclosed under section headed "Proposed change of Board composition" in the "Letter from Bridge Partners and Kingston Securities" in this Composite Document, there was no agreement, arrangement or understanding (including any compensation arrangement) between any of the Joints Offerors and parties acting in concert with any of them, and any Director, recent Director, Shareholder or recent Shareholder which had any connection with or dependent on the Offer;

(e) there is no agreement or arrangement to which the Joint Offerors, their ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and

(f) no benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer.

6. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts whose advice, letters or opinions are contained in this Composite Document:

Name	Qualification
Bridge Partners	a corporation licensed to carry out Type 1 (dealing in securities), and Type 6 (advising on corporate finance) regulated activities under the SFO
Kingston Corporate Finance	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Kingston Securities	a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO

Each of Bridge Partners, Kingston Corporate Finance and Kingston Securities has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its advice, report and/or the references to its name in the form and context in which it appears.

8. GENERAL

(a) The Joint Offerors are Upsky, Metro Victory and Polaris.

(b) Upsky is wholly-owned by Mr. Chen Jiarong and the registered office of which is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The correspondence address of Mr. Chen Jiarong is Rooms 2703-2706, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Mr. Chen Jiarong is the sole director of Upsky.

(c) Metro Victory is owned as to 55% by Mr. Lau Kan Sum and as to 45% by Ms Lau Chau In, the registered office of which is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The correspondence address of Mr. Lau Kan Sum is Suite 604, Ocean Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, and the correspondence address of Ms. Lau Chan In is Flat A, 1/F., Grandcity Court, 37 Grampian Road, Kowloon City, Kowloon, Hong Kong. Mr. Lau Kan Sum is the sole director of Metro Victory.

(d) Polaris is wholly-owned by Mr. Liu Gary Wei, the registered office of which is situated at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. The correspondence address of Mr. Liu Gary Wei is Flat 4801-4802, Tower A, Kingkey 100, 5016 Shennan East Road, Louhu, Shenzhen, China. Mr. Liu Gary Wei is the sole director of Polaris.

(e) The registered office of Bridge Partners is situated at Room 3303, 33/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

(f) The registered office of each of Kingston Corporate Finance and Kingston Securities is situated at Suite 2801, 28th Floor, One IFC, 1 Harbour View Street, Central, Hong Kong.

(g) The English text of this Composite Document shall prevail over its Chinese text in the case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) at the principal place of business of the Company at 26th Floor, 625 King's Road, North Point, Hong Kong during the normal business hours on any Business Day; (ii) on the SFC's website at http://www.sfc.hk; and (iii) the website of the Company at www.cinderellagroup.com.hk, from the date of this Composite Document up to and including the Offer Closing Date:

(a) the memorandum and articles of association of the Joint Offerors;

(b) the letter from Bridge Partners and Kingston Securities as set out on pages 7 to 15 of this Composite Document; and

(c) the written consents from the experts as referred to under the section headed "EXPERTS' QUALIFICATIONS AND CONSENTS" in this Appendix V.