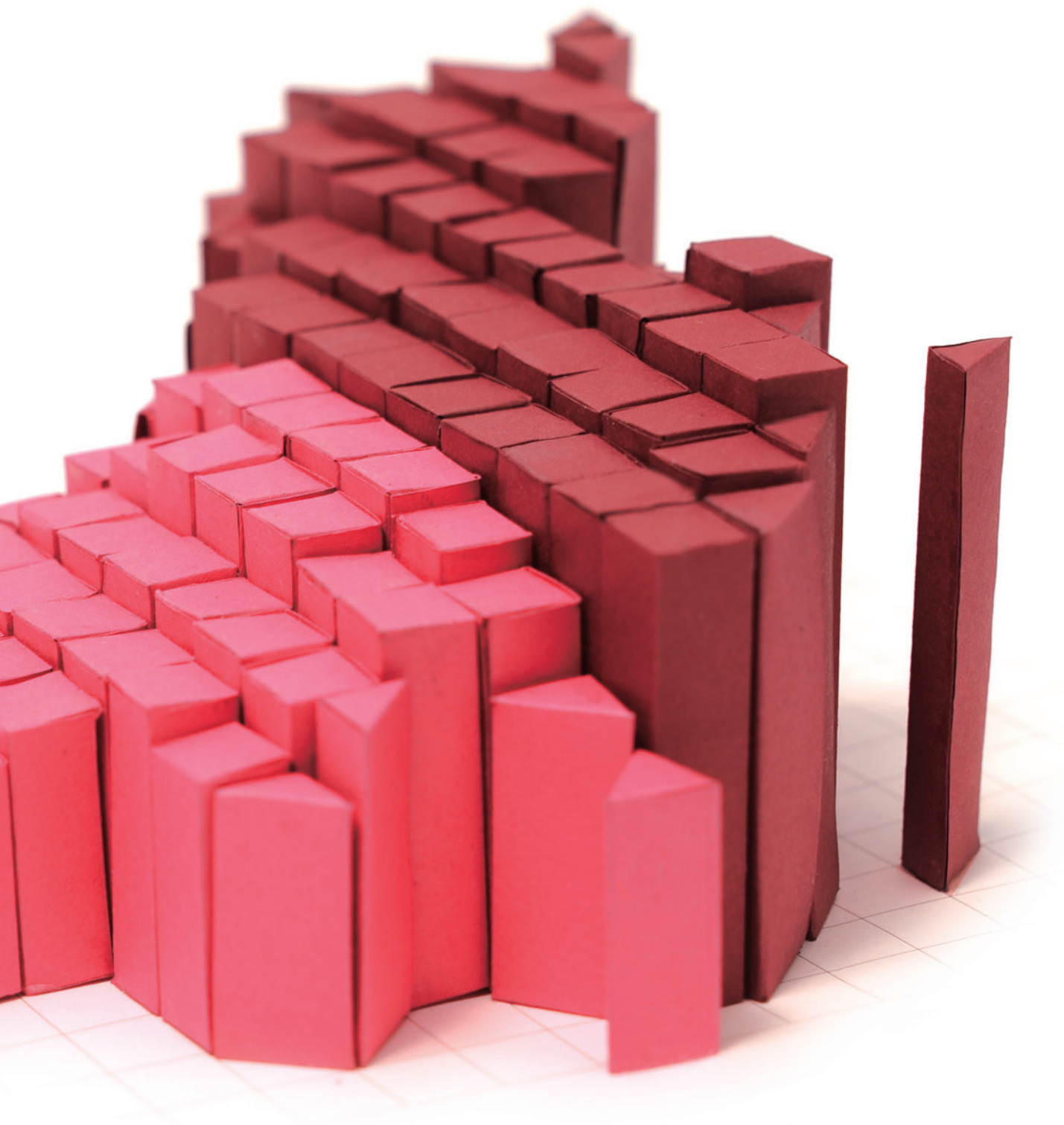


Cinderella Media Group Limited

先傳媒集團有限公司

2012 Interim Report



Stock Code: 550

Corporate Information

Board of Directors

EXECUTIVE DIRECTORS

Mr. Lau Chuk Kin
Ms. Lam Mei Lan

NON-EXECUTIVE DIRECTORS

Mr. Wan Siu Kau (*Chairman*)
Mr. Lee Ching Ming, Adrian
Mr. Peter Stavros Patapios Christofis

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mrs. Ling Lee Ching Man, Eleanor
Mr. Cheng Ping Kuen, Franco
Mr. Ho David

Company Secretary

Ms. Lam Mei Lan *CPA, FCCA*

Compliance Officer

Mr. Lau Chuk Kin

Authorised Representatives

Mr. Lau Chuk Kin
Ms. Lam Mei Lan

Audit Committee

Mr. Ho David (*Chairman*)
Mrs. Ling Lee Ching Man, Eleanor
Mr. Cheng Ping Kuen, Franco

Remuneration Committee

Mr. Cheng Ping Kuen, Franco (*Chairman*)
Mrs. Ling Lee Ching Man, Eleanor
Mr. Ho David

Nomination Committee

Mr. Wan Siu Kau (*Chairman*)
Mr. Lau Chuk Kin
Mrs. Ling Lee Ching Man, Eleanor
Mr. Cheng Ping Kuen, Franco
Mr. Ho David

Website

www.cinderellagroup.com.hk

Auditor

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Legal Adviser

Cheung Tong & Rosa Solicitors
Room 501, 5/F., Sun Hung Kai Centre
30 Harbour Road
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

Share Registrars and Transfer Offices

PRINCIPAL REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08, Bermuda

HONG KONG BRANCH REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712 – 1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business

26th Floor, 625 King's Road
North Point, Hong Kong

Stock Code

550



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Management Discussion and Analysis

Financial Review

Turnover for the six months ended 30 June 2012 grew 9.0% to HK\$709.9 million (2011: HK\$651.1 million); whereas the advertising and printing businesses accounted for 56% and 44% respectively of the Group's overall revenue. Gross profit increased 18.5% to HK\$171.4 million (2011: HK\$144.6 million) whilst net profit attributable to owners of the Company grew 15.1% to HK\$75.2 million (2011: HK\$65.4 million).

Despite a challenging operating environment, the Group was vigilant in enforcing stringent cost control during the period. Material and production costs from the printing segment decreased by 4.5% during the period, which contributed to a gross profit margin growth to 22.1% from 18.3% last year.

During the first half of 2011, the US dollar depreciated against most of the foreign currencies which our subsidiary, 1010 Printing Group Limited, traded in. The US dollar was relatively stable during the first half of 2012. As a result, the net foreign exchange gain dropped by HK\$13.8 million to HK\$2.4 million. Such decrease was partially offset by the decrease of HK\$ 5.0 million in loss on foreign currency forward contracts, which were entered according to the Group's hedging policy. The decrease in the net foreign exchange gain and loss on foreign currency forward contracts caused the decrease in other income and administrative expenses respectively.

Overall selling and distribution costs as a percentage of revenue was maintained at a stable 7.9% despite a turnover growth of 9.0%. In view of the adverse operating environment, the Group has also increased provisions made for doubtful debts during the period, amounting to HK\$4.5 million. In the absence of the one-off listing and spin-off expenses HK\$5.8 million incurred last year, other operating expenses declined by 13.7% to HK\$8.2 million (2011: HK\$9.6 million).

Income tax expenses grew by 36.8% and was mainly attributable to an increase in assessable profit and increased tax rates caused by the cessation of the processing arrangement in the printing segment.

The Group's total comprehensive income attributable to owners of the Company amounted to approximately HK\$75.4 million (2011: HK\$65.4 million).





Sales turnover (% inc.)
HK\$ **709.9M** (9%)

Gross profit (% inc.)
HK\$ **171.4M** (19%)

Total comprehensive income attributable to owners (% inc.)
HK\$ **75.4M** (15%)

Business Review

In-flight Magazine

According to the Civil Aviation Administration of China, Chinese carriers handled approximately 292 million passengers in 2011, representing a year-on-year growth of 9.6%. The growth momentum will likely continue as China's aviation market is expected to report a good growth in passenger traffic this year to 320 million passengers. As the exclusive advertising agent of in-flight magazines for major airlines in Greater China, namely China Eastern Airlines, China Southern Airlines, Air China and China Airlines, the Group should benefit from the continual uptrend in passenger throughput.

The Group's in-flight magazines have access to an average of approximately 170 million readers per annum and are specifically tailored to travelling businessmen and high-income professionals. As such, the Group has drawn in major advertising customers, mainly from the real estate, automobile and watch and jewelry industries. Despite China's economy showing signs of slowdown during the period, our advertising rate cards continue to record high single-digit growth. This is testimony to the Group's leading position in the in-flight advertising business and that our magazines are evidently key advertising and brand building platforms for international luxury brands and products. For the period, revenue from the in-flight magazine segment grew by 8.8%.

Whilst remaining dedicated to our core in-flight magazine division, the Group signed an agreement in May 2011 with the Shanghai Railway Bureau to become its exclusive advertising agent for the in-train travel magazine "Shanghai Railway" (上海鐵道). In view of the Wanzhou incident and in the best interest of our future development, the Group has restructured the agreement to minimize our financial obligation in the contract with effect from 1 July 2012. Consequently, the Group will continue to assist the Shanghai Railway Bureau in magazine production related duties, but will review our role as exclusive advertising agent in the near future.





Business Review (continued)

Recruitment Magazine

With our strength in job positions in the retail, catering and tourism industries, the Group's recruitment magazine ("Recruit") continues to be the recruitment media of choice for many jobseekers. Recruit enjoys exclusively distribution right within designated Mass Transit Railway ("MTR") stations, which is the backbone of Hong Kong's public transportation, thus allowing us to effectively reach a large pool of targets readers. Our online recruitment website www.recruit.com.hk is also gaining traction with large hospitality groups and retail brands. This will strengthen our recruitment database to attract a wider group of jobseekers. Supported by two complementing recruitment platforms, revenue from the recruitment magazine segment increased by 9.0%. The Group expects steady business growth for this segment in the long term.

Printing Business

1010 Printing Group Limited ("1010 PGL", stock code: 1127.HK) is the book-printing arm of the Group. Following its successful spin-off and independent listing last year, the Group currently retains approximately 60% equity interest in 1010 PGL.

For the six month ended 30 June 2012, 1010 PGL's turnover increased by 9.5% to HK\$311.8 million (2011: HK\$284.6 million). Gross profit increased by approximately 32.3% to HK\$68.9 million (2011: HK\$52.1 million) whilst net profit attributable to owners of the Company dropped slightly by 2.7% to HK\$30.2 million (2011: HK\$31.1 million). The increase in turnover was mainly attributable to the order book growth brought forth by the printing industry consolidation. Higher economies of scale resulted in decreased material and production costs, thus overall gross profit margin increased during the period. As rising labour costs and diminishing order sizes continue to push out financially weaker players, well-established and scalable book printers like 1010 PGL will benefit from the enlarged market opportunities and capture further market share.



Advertising revenue
increased by **9%**

Printing revenue
increased by **10%**

Cash and bank deposits
HK\$ **375.2M**

Equity attributable to owners
HK\$ **565.9M**

Prospects

Looking ahead, the Group remains optimistic on our core in-flight magazine business. As the number of airline passengers in China continues to rise, the enlarged market size will offer advertising opportunities for the Group to explore and utilize. To further solidify our status as a leader in the in-flight advertising category, the Group will proactively source new advertising customers beyond the existing real estate, automobile and watch and jewelry sectors. This will broaden our advertising portfolio and ultimately diversify our operating risks.

To stay competitive within the market, a set of stringent cash flow management and credit control measures have been implemented. Such initiatives will ultimately enhance the Group's financial position and hold us in good stead amongst industry competitors. The Group will continue to assess opportunities to expand our business and revenue base within our areas of expertise so as to maximize our shareholders' value in the long-run.



Liquidity and Financial Resources

As at 30 June 2012, the Group had net current assets of approximately HK\$495.3 million (31 December 2011: HK\$553.2 million) of which the cash and bank deposits were approximately HK\$375.2 million (31 December 2011: HK\$407.3 million).

Total bank borrowings and finance lease liabilities were HK\$111.9 million (31 December 2011: HK\$146.7 million). All the borrowings as at 30 June 2012 are denominated in Hong Kong dollars, at floating rates and repayable within five years. For the bank borrowings as at 31 December 2011, approximately HK\$24.4 million bank borrowing is denominated in Renminbi, at a fixed rate and repayable within one year and the rest of the borrowing and finance leases are denominated in Hong Kong dollars, at floating rates and repayable within five years. The Group's gearing ratio as at 30 June 2012 was 15.2% (31 December 2011: 18.9%), which is calculated on the basis of the Group's total interest-bearing debts over the total equity interest.

During the period, the Group had acquired machinery for printing division at approximately HK\$14.9 million. The purchase is financed by internal resources. The net book amount of property, plant and equipment includes net carrying amount of HK\$20.6 million (31 December 2011: HK\$21.5 million) in respect of assets held under finance leases.

The Group adopts centralized financing and treasury policies in order to ensure the group funding is utilized efficiently. Conservative approach is adopted on monitoring foreign exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading and capital expenditures when it was considered appropriate.

Capital Commitments and Contingent Liability

As at 30 June 2012, the Group had committed to acquire printing machinery of approximately HK\$1.3 million. The acquisition will be financed by bank borrowings and the Group's internal resources.

The Group had no significant contingent liability as at 30 June 2012.



The Board of Directors (the “Board”) of Cinderella Media Group Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2012 together with the comparative unaudited figures for the corresponding period in 2011 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

		(Unaudited) Six months ended 30 June	
		2012	2011
	Notes	HK\$'000	HK\$'000
Turnover	3	709,892	651,131
Direct operating costs		(538,475)	(506,513)
Gross profit		171,417	144,618
Other income		20,900	30,990
Selling and distribution costs		(55,964)	(51,163)
Administrative expenses		(25,521)	(31,417)
Other expenses		(8,246)	(9,556)
Finance costs	4	(1,453)	(1,174)
Profit before income tax	5	101,133	82,298
Income tax expense	6	(14,624)	(10,688)
Profit for the period		86,509	71,610
Other comprehensive income			
Exchange gain/(loss) on translation of financial statements of foreign operations		198	(71)
Other comprehensive income for the period, net of tax		198	(71)
Total comprehensive income for the period		86,707	71,539
Profit for the period attributable to:			
Owners of the Company		75,243	65,359
Non-controlling interests		11,266	6,251
		86,509	71,610
Total comprehensive income attributable to:			
Owners of the Company		75,413	65,352
Non-controlling interests		11,294	6,187
		86,707	71,539
Earnings per share for profit attributable to the owners of the Company during the period	7		
– Basic		HK23.34 cents	HK20.74 cents
– Diluted		HK22.82 cents	HK18.87 cents

Condensed Consolidated Statement of Financial Position

As at 30 June 2012

		(Unaudited) At 30 June 2012	(Audited) At 31 December 2011
	Notes	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	231,253	229,758
Prepaid land lease payments	9	5,921	5,944
Interests in associates		–	–
Goodwill		9,614	9,614
		246,788	245,316
Current assets			
Inventories		88,513	63,874
Trade and other receivables and deposits	10	321,777	425,842
Financial assets at fair value through profit or loss		752	2,572
Advances to associates		–	–
Taxes recoverable		637	666
Cash and cash equivalents		375,155	407,252
		786,834	900,206
Current liabilities			
Trade and other payables	11	146,299	185,670
Financial liabilities at fair value through profit or loss		35	–
Bank borrowings	12	102,146	133,901
Finance lease liabilities	13	6,142	6,060
Provision for taxation		36,896	21,408
		291,518	347,039
Net current assets		495,316	553,167
Total assets less current liabilities		742,104	798,483
Non-current liabilities			
Finance lease liabilities	13	3,660	6,750
Deferred tax liabilities		2,954	13,454
		6,614	20,204
Net assets		735,490	778,279
EQUITY			
Share capital	14	64,873	64,118
Reserves		501,063	549,898
Equity attributable to owners of the Company		565,936	614,016
Non-controlling interests		169,554	164,263
Total equity		735,490	778,279

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	(Unaudited)	
	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Net cash generated from operating activities	149,576	149,312
Investing activities		
Purchase of property, plant and equipment	(17,240)	(5,687)
Interest received	2,373	223
Proceeds from disposal of property, plant and equipment	3	131
Dividend income from listed equity securities	28	–
Disposal of a subsidiary	(461)	–
Net cash used in investing activities	(15,297)	(5,333)
Financing activities		
Bank borrowings raised	46,528	27,048
Repayment of bank borrowings	(78,283)	(26,152)
Interest on bank borrowings paid	(1,295)	(943)
Capital element of finance lease liabilities paid	(3,008)	(4,035)
Proceeds on issue of new shares	5,507	7,925
Share issue expenses paid	(19)	(8)
Interest element of finance lease payments	(158)	(231)
Dividends paid to equity holders of the Company	(129,645)	(31,771)
Dividends paid to non-controlling interests	(6,003)	(4,006)
Proceeds from disposal of interest in a subsidiary	–	4,000
Net cash used in financing activities	(166,376)	(28,173)
Net (decrease)/increase in cash and cash equivalents	(32,097)	115,806
Cash and cash equivalents at the beginning of the period	407,252	218,182
Cash and cash equivalents at the end of the period	375,155	333,988
Analysis of balances of cash and cash equivalents		
Bank balances and cash	173,413	273,572
Cash at brokers	3,994	4,367
Short-term deposits	197,748	56,049
	375,155	333,988

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to owners of the Company												
	Share capital	Share premium	Employee compensation reserve	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserve	Other reserve	Proposed final and special dividends	Retained earnings	Total	Non-controlling interests	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
Balance at 1 January 2012 (Audited)	64,118	95,396	4,146	(33)	(43,897)	2,371	2,089	(16,472)	128,284	378,014	614,016	164,263	778,279
Equity-settled share-based payment expense	-	-	664	-	-	-	-	-	-	-	664	-	664
Exercise of share options	755	6,025	(1,273)	-	-	-	-	-	-	-	5,507	-	5,507
Share issue expenses	-	(19)	-	-	-	-	-	-	-	-	(19)	-	(19)
Final and special 2011 dividends paid	-	-	-	-	-	-	-	-	(128,284)	(1,361)	(129,645)	-	(129,645)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,003)	(6,003)
Transactions with owners	755	6,006	(609)	-	-	-	-	-	(128,284)	(1,361)	(123,493)	(6,003)	(123,496)
Profit for the period	-	-	-	-	-	-	-	-	-	75,243	75,243	11,266	86,509
Other comprehensive income													
Currency translation	-	-	-	170	-	-	-	-	-	-	170	28	198
Total comprehensive income for the period	-	-	-	170	-	-	-	-	-	75,243	75,413	11,294	86,707
Balance at 30 June 2012 (Unaudited)	64,873	101,402	3,537	137	(43,897)	2,371	2,089	(16,472)	-	451,896	565,936	169,554	735,490
Balance at 1 January 2011 (Audited)	62,113	84,941	3,947	(312)	(43,897)	2,371	1,855	979	31,057	352,461	495,515	53,476	548,991
Equity-settled share-based payment expense	-	-	1,854	-	-	-	-	-	-	-	1,854	-	1,854
Exercise of share options	1,608	7,923	(1,606)	-	-	-	-	-	-	-	7,925	-	7,925
Share issue expenses	-	(8)	-	-	-	-	-	-	-	-	(8)	-	(8)
Lapse of share option	-	-	(98)	-	-	-	-	-	-	98	-	-	-
Final and special 2010 dividends paid	-	-	-	-	-	-	-	-	(31,057)	(714)	(31,771)	-	(31,771)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,006)	(4,006)
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	(2,018)	-	-	(2,018)	6,018	4,000
Transactions with owners	1,608	7,915	150	-	-	-	-	(2,018)	(31,057)	(616)	(24,018)	2,012	(22,006)
Profit for the period	-	-	-	-	-	-	-	-	-	65,359	65,359	6,251	71,610
Other comprehensive income													
Currency translation	-	-	-	(7)	-	-	-	-	-	-	(7)	(64)	(71)
Total comprehensive income for the period	-	-	-	(7)	-	-	-	-	-	65,359	65,352	6,187	71,539
Balance at 30 June 2011 (Unaudited)	63,721	92,856	4,097	(319)	(43,897)	2,371	1,855	(1,039)	-	417,204	536,849	61,675	598,524

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2012

1. Basis of Preparation

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2012 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 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 2011 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 in note 2.

2. Principal Accounting Policies

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.

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

HKAS 12 (Amendments)

Deferred Tax: Recovery of Underlying Assets

HKFRS 7 (Amendments)

Financial Instruments: Disclosures – Transfers of financial assets

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated interim financial statements and/or disclosures set out in these condensed consolidated interim 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 Group determines its operating segments based on the reports reviewed by the chief operating decision-makers and which are used to make strategic decisions as follows:

Advertising – providing advertising services on different publications and magazines.

Printing – printing of books and magazines.

Investment – trading of financial assets at fair value through profit or loss.

The following tables present information of revenue and profit for the period on the basis of the Group's operating segments for the six months ended 30 June 2012 and 2011 respectively:

Six months ended 30 June 2012

	Advertising (Unaudited)	Printing (Unaudited)	Investment (Unaudited)	Consolidated (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
– External sales	398,095	311,797	–	709,892
Segment profit	68,739	37,694	166	106,599
Unallocated corporate income				724
Unallocated corporate expenses				(4,737)
Finance costs				(1,453)
Profit before income tax				101,133
Income tax expense				(14,624)
Profit for the period				86,509

3. Segment Information (continued)

Six months ended 30 June 2011

	Advertising (Unaudited)	Printing (Unaudited)	Investment (Unaudited)	Consolidated (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
– External sales	366,504	284,627	–	651,131
Segment profit	55,635	36,773	(497)	91,911
Unallocated corporate income				57
Unallocated corporate expenses				(8,496)
Finance costs				(1,174)
Profit before income tax				82,298
Income tax expense				(10,688)
Profit for the period				71,610

The following is an analysis of the Group's assets by operating segment:

	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
	HK\$'000	HK\$'000
Advertising	317,014	292,868
Printing	603,115	640,990
Investment	4,824	6,658
Total segment assets	924,953	940,516

4. Finance Costs

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	1,295	943
Finance lease charges	158	231
	1,453	1,174

5. Profit Before Income Tax

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

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Amortisation of prepaid land lease payments	72	69
Depreciation	15,761	14,210
Employee benefit expense	63,775	31,629
Loss on financial assets at fair value through profit or loss	994	6,583
Minimum lease payments paid under operating leases or leases in respect of		
– Rented premises and production facilities	6,741	6,139
– Internet access line	157	43
Loss on disposal of property, plant and equipment	26	31
Net foreign exchange gain	(2,381)	(16,164)
Interest income	(2,373)	(223)

6. Income Tax Expense

The amount of income tax expense charged/(credited) to the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong profits tax		
– Current year	18,812	5,067
Overseas tax		
– Current year	6,284	4,989
– Under provision in prior years	28	59
Deferred taxation – current year	(10,500)	573
	14,624	10,688

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

7. Earnings per Share

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

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share for the period	75,243	65,359
	Number of shares ('000)	
Weighted average number of ordinary shares for the purposes of basic earnings per share	322,340	315,100
Effect of dilutive share options	7,415	31,358
Weighted average number of ordinary shares for the purpose of diluted earnings per share	329,755	346,458

8. Property, Plant and Equipment

	Leasehold land and Buildings	Furniture and fixtures	Office equipment	Leasehold improve- ments	Computer equipment and systems	Motor vehicles	Machinery	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012								
Cost	19,748	5,299	5,027	43,716	36,215	2,206	248,837	361,048
Accumulated depreciation	(263)	(3,432)	(3,217)	(22,841)	(31,856)	(865)	(68,816)	(131,290)
Net book amount	19,485	1,867	1,810	20,875	4,359	1,341	180,021	229,758
Period ended 30 June 2012								
Opening net book amount	19,485	1,867	1,810	20,875	4,359	1,341	180,021	229,758
Exchange differences	25	-	1	1	-	1	55	83
Additions	-	199	270	1,263	584	-	14,924	17,240
Disposals	-	(20)	(3)	(6)	-	-	-	(29)
Disposal of subsidiary	-	(4)	(29)	-	(5)	-	-	(38)
Depreciation	(208)	(376)	(362)	(2,447)	(1,583)	(196)	(10,589)	(15,761)
Closing net book amount	19,302	1,666	1,687	19,686	3,355	1,146	184,411	231,253
At 30 June 2012								
Cost	19,774	5,425	5,259	44,552	36,764	2,207	263,819	377,800
Accumulated depreciation	(472)	(3,759)	(3,572)	(24,866)	(33,409)	(1,061)	(79,408)	(146,547)
Net book amount	19,302	1,666	1,687	19,686	3,355	1,146	184,411	231,253

The net book amount of property, plant and equipment includes the net carrying amount of HK\$20,588,000 (31 December 2011: HK\$21,520,000) in respect of assets held under finance leases.

9. Prepaid Land Lease Payments

	HK\$'000
At 1 January 2012	
Cost	6,264
Accumulated amortisation	(320)
Net book amount	5,944
Opening net book amount	5,944
Exchange differences	49
Amortisation	(72)
Closing net book amount	5,921
At 30 June 2012	
Cost	6,316
Accumulated amortisation	(395)
Net book amount	5,921

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.

10. Trade and Other Receivables and Deposits

The Group allows a credit period from 7 days to 180 days to its trade customers.

Aging analysis of trade receivables, as at 30 June 2012 based on sales invoice date and net of provisions at the balance sheet date, is as follows:

	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
	HK\$'000	HK\$'000
0 – 30 days	80,970	81,643
31 – 60 days	62,002	65,606
61 – 90 days	49,671	33,885
91 – 120 days	31,897	50,789
121 – 150 days	24,526	39,129
Over 150 days	18,590	39,635
Total trade receivables	267,656	310,687
Other receivables and deposits	54,121	115,155
	321,777	425,842

11. Trade and Other Payables

The following is the aging analysis of trade payables based on invoice date:

	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
	HK\$'000	HK\$'000
0 – 30 days	28,636	41,644
31 – 60 days	30,704	22,991
61 – 90 days	15,951	14,887
91 – 120 days	2,351	8,016
Over 120 days	509	15,748
Total trade payables	78,151	103,286
Other payables	68,148	82,384
	146,299	185,670

12. Bank Borrowings

During the six months ended 30 June 2012, repayments of bank loans amounting to HK\$78,283,000 (2011: HK\$26,152,000) were made in line with the relevant repayment terms. New bank borrowings of HK\$46,528,000 were raised for the six months ended 30 June 2012 (2011: HK\$27,048,000).

13. Finance Lease Liabilities

The analysis of the obligations under finance lease is as follows:

	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
	HK\$'000	HK\$'000
Total minimum lease payments:		
Due within one year	6,335	6,326
Due in the second to fifth years	3,694	6,854
	10,029	13,180
Future finance charges on finance lease	(227)	(370)
Present value of finance lease liabilities	9,802	12,810

13. Finance Lease Liabilities (continued)

	At 30 June 2012 (Unaudited)	At 31 December 2011 (Audited)
	HK\$'000	HK\$'000
Present value of minimum lease payments:		
Due within one year	6,142	6,060
Due in the second to fifth years	3,660	6,750
	9,802	12,810
Less: Portion due within one year included under current liabilities	(6,142)	(6,060)
Non-current portion included under non-current liabilities	3,660	6,750

14. 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 2012	320,592	64,118
Shares issued upon exercise of share options	3,772	755
At 30 June 2012	324,364	64,873

15. Capital Commitments

As at 30 June 2012, the Group had capital commitment contracted but not provided for in respect of the acquisition of property, plant and equipment of approximately HK\$1,310,000 (31 December 2011: HK\$9,746,000).

16.Dividends

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

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31 December 2011, approved and paid during the period, of HK\$0.2 per share (2010: HK\$0.065)	64,822	20,651
Special dividend in respect of the year ended 31 December 2011, approved and paid during the period, of HK\$0.2 per share (2010: HK\$0.035)	64,823	11,120
	129,645	31,771

(b) Dividends attributable to the interim period

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Interim dividend – HK\$0.08 (2011: HK\$0.06) per share	26,020	19,213

Notes:

- (i) On 22 February 2012, the Directors proposed a final dividend of HK\$0.2 per share and a special dividend of HK\$0.2 per share. The final and special dividends were paid on 2 May 2012.
- (ii) The amount of the interim dividend declared for the six months ended 30 June 2012, which will be payable in cash, has been calculated by reference to the 325,256,000 issued ordinary shares outstanding as at the date of this report. The interim dividend is not reflected as dividend payable in the condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2012.

17. 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 2012 are disclosed as follows:

	Six months ended 30 June	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Rental expenses paid to a related company	156	–

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.

(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	
	2012 (Unaudited)	2011 (Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	2,013	2,486
Post-employment benefit	15	15
	2,028	2,501

18. Contingent Liabilities

As at 30 June 2012, the Group had no significant contingent liabilities (31 December 2011: Nil).

Other Disclosures

Interim Dividend and Closure of Register of Members

The Board has resolved to recommend the payment of an interim dividend of HK\$0.08 per ordinary share for the six months ended 30 June 2012 (2011: HK\$0.06) to shareholders whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 7 September 2012. The register of shareholders will be closed from 4 September 2012 to 7 September 2012, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited whose share registration public offices are located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 3 September 2012. The relevant dividend warrants will be despatched to shareholders on or around 14 September 2012.

Directors' and Chief Executives' Interests in Securities

As at 30 June 2012, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

Directors' and Chief Executives' Interests in Securities (continued)

(a) (i) Long Position in the shares of the Company

Name of Directors	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage to the issued share capital of the Company
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin (Note 1)	Nil	Nil	183,124,000	183,124,000	56.46
Ms. Lam Mei Lan	2,400,000	Nil	Nil	2,400,000	0.74
Mr. Lee Ching Ming, Adrian (Note 2)	100,500	50,000	Nil	150,500	0.05
Mr. Peter Stavros Patapios Christofis	1,000,500	Nil	Nil	1,000,500	0.31
Mr. Cheng Ping Kuen, Franco	120,000	Nil	Nil	120,000	0.04

(a) (ii) Long Position in the shares of ER2 Holdings Limited ("ER2 Holdings"), an associated corporation of the Company

Name of Directors	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage to the issued share capital of ER2 Holdings
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin	8,375	Nil	Nil	8,375	67.00
Mr. Wan Siu Kau	1,500	Nil	Nil	1,500	12.00

(a) (iii) Long Position in the shares of 1010 Printing Group Limited ("1010 Printing"), an associated corporation of the Company

Name of Directors	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage to the issued share capital of 1010 Printing
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin (Note 3)	111,628	Nil	307,157,400	307,269,028	61.45
Ms. Lam Mei Lan	47,200	Nil	Nil	47,200	0.01
Mr. Cheng Ping Kuen, Franco	4,720	Nil	Nil	4,720	0.01

Directors' and Chief Executives' Interests in Securities (continued)

(b) Options to subscribe for shares of the Company

Name of Directors	Date of grant	Exercisable period	Exercise price	Number of share options				
				Outstanding at 1.1.2012	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding at 30.6.2012
			HK\$					
Ms. Lam Mei Lan	23.6.2010	23.6.2011 to 22.6.2015	1.636	1,200,000	-	1,200,000	-	-
	23.6.2010	23.6.2012 to 22.6.2015	1.636	1,200,000	-	-	-	1,200,000

Notes:

- Of 183,124,000 shares, 5,170,000 shares and 177,954,000 shares are beneficially owned by ER2 Holdings and City Apex Limited respectively. As at 30 June 2012, ER2 Holdings, which is the ultimate holding company of City Apex Limited, is beneficially owned as to 67% by Mr. Lau Chuk Kin and 12% by Mr. Wan Siu Kau. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.
- Of 150,500 shares, 50,000 shares are beneficially owned by the wife of Mr. Lee Ching Ming, Adrian, who is deemed to be interested in the said shares under Part XV of the SFO.
- Of 307,157,400 shares, 299,894,907 shares, 6,999,524 shares and 262,969 shares are beneficially owned by Recruit (BVI) Limited, a wholly owned subsidiary of the Company, City Apex Limited and ER2 Holdings respectively.

Saved as disclosed above, as at 30 June 2012, to the knowledge of the Company, none of the directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Option Scheme

The Company has adopted a share option scheme approved by a resolution passed by the shareholders of the Company on 13 July 2007, under which it may grant options to directors, employees, any advisors and service providers of any member of the Group to subscribe for shares in the Company.

The following table discloses movements in the share options of the Company during the period:

	Number of share options				
	Outstanding at 1.1.2012	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding at 30.6.2012
Directors	2,400,000	-	1,200,000	-	1,200,000
Employees	10,904,000	-	2,572,000	-	8,332,000
Total	13,304,000	-	3,772,000	-	9,532,000

Details of the share options are as follows:

Date of grant	Number of options granted	Vesting period	Exercisable period	Exercise price per share
				(HK\$)
18.8.2008	5,700,000	18.8.2008 to 17.8.2009	18.8.2009 to 17.8.2013	0.93
18.8.2008	5,700,000	18.8.2008 to 17.8.2010	18.8.2010 to 17.8.2013	0.93
29.10.2009	300,000	29.10.2009 to 28.04.2010	29.04.2010 to 28.10.2014	0.902
29.10.2009	300,000	29.10.2009 to 28.10.2011	29.10.2011 to 28.10.2014	0.902
11.6.2010	2,190,000	11.6.2010 to 10.6.2011	11.6.2011 to 10.6.2015	1.60
11.6.2010	2,190,000	11.6.2010 to 10.6.2012	11.6.2012 to 10.6.2015	1.60
23.6.2010	4,860,000	23.6.2010 to 22.6.2011	23.6.2011 to 22.6.2015	1.636
23.6.2010	4,860,000	23.6.2010 to 22.6.2012	23.6.2012 to 22.6.2015	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

Notes:

- (i) In total, HK\$664,000 of share-based employee compensation expense were included in the consolidated statement of comprehensive income for the period ended 30 June 2012 (2011: HK\$1,854,000) with a corresponding credit in equity. No liabilities were recognized as these were all equity-settled share-based payment transactions.
- (ii) As at 30 June 2012, 9,532,000 share options are exercisable and the weighted average exercise price of these share options is HK\$1.65 (31 December 2011: HK\$1.53).

Substantial Shareholders

As at 30 June 2012, the following persons, other than a director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company, being 5% or more in the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Number of shares	Percentage to the issued share capital of the Company
		%
Mr. Lau Chuk Kin (Note 1)	183,124,000	56.46
ER2 Holdings Limited (Note 1)	183,124,000	56.46
City Apex Limited (Note 1)	177,954,000	54.86
JobStreet Corporation Berhad	26,250,000	8.09
Great Eagle Holdings Limited (Note 2)	21,638,000	6.67
Jolly Trend Limited (Note 2)	21,638,000	6.67
The Great Eagle Company, Limited (Note 2)	21,638,000	6.67
Dr. Lo Ka Shui (Note 3)	21,788,000	6.72
Chan Family Investment Corporation Limited (Note 4)	20,115,333	6.20
Tai Wah Investment Company Limited (Note 4)	18,000,000	5.55

Notes:

- Of the 183,124,000 shares, Mr. Lau Chuk Kin is deemed to be interested in the 5,170,000 shares directly held by ER2 Holdings Limited. Each of Mr. Lau Chuk Kin and ER2 Holdings Limited is deemed to be interested in the 177,954,000 shares owned by City Apex Limited.
- Each of Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,638,000 shares owned by The Great Eagle Company, Limited.
- Of these shares, 21,638,000 shares are duplicated in the interest described in note 2, as The Great Eagle Company, Limited is a wholly-owned subsidiary of Great Eagle Holdings Limited. Dr. Lo Ka Shui was interested and/or deemed to be interested in the issued share capital of Great Eagle Holdings Limited. In addition, Dr. Lo Ka Shui has personal interest in 150,000 shares.
- Of these shares, 1,117,333 shares are directly owned by Chan Family Investment Corporation Limited, 998,000 shares and 18,000,000 shares are respectively held by Earnyear Limited and Tai Wah Investment Company Limited. Both Earnyear Limited and Tai Wah Investment Company Limited are wholly-owned subsidiaries of Chan Family Investment Corporation Limited.

Save as disclosed above, as at 30 June 2012, the Company had not been notified of any other person (other than a director or chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company and was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of Shares

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Code On Corporate Governance Practices

In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code Provision") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2012.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 June 2012.

Employees and Emolument Policy

As at 30 June 2012, the Group had around 1,128 full-time employees (30 June 2011: 157). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance and medical cover. As at 30 June 2012, outstanding options to subscribe for an aggregate of 9,532,000 shares of the Company had been granted to certain full-time employees, including one executive director of the Company, pursuant to the Company's share option scheme. Exercise prices of which are ranged from HK\$1.60 to HK\$2.00.

Audit Committee

The audit committee has three members comprising the three independent non-executive directors, namely, Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David, with terms of reference in compliance with the Listing Rules. The audit committee review the Group's financial reporting, internal controls and make relevant recommendations to the Board.

The audit committee had met with the management to review the Company's interim report for the six months ended 30 June 2012 and had the opinion that such report was compiled with the applicable accounting standards and adequate disclosures had been made.

By Order of the Board

Wan Siu Kau

Chairman

Hong Kong, 17 August 2012



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