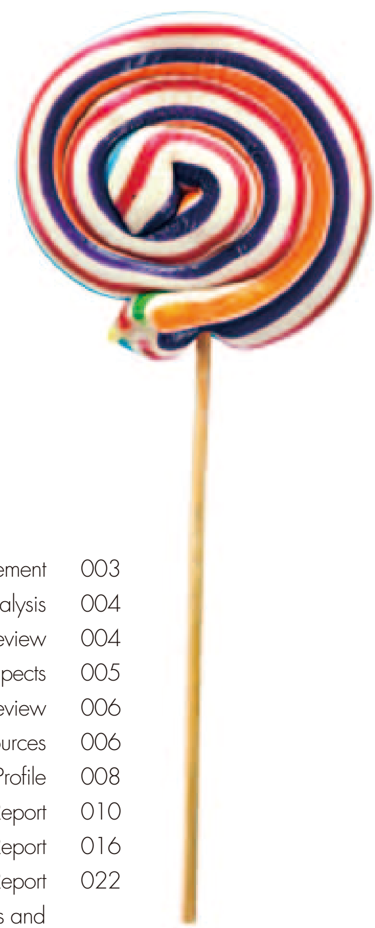
Cinderella Media Group Limited

先傳媒集團有限公司

Stock Code: 550

Annual Report 2014

Contents



Chairman's Statement

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

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

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

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

Lau Chuk Kin
Chairman
Hong Kong, 3 March 2015

Management Discussion and Analysis

BUSINESS REVIEW

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

Inflight Magazine

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

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

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

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

Recruit Magazine and Website

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

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

PROSPECTS

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

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

Major Movements

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

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

Purchase of Express Ocean Investment Limited ("EOIL")

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

Management Discussion and Analysis

FINANCIAL REVIEW

Continuing operations

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

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

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

Discontinued operations

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

The Group's gearing ratio as at 31 December 2014 was 4.3 % (2013: 7.2%), which is calculated on the basis of the Group's total interest-bearing debts over the total equity interest. Total bank borrowing was approximately HK$7.7 million (2013: bank borrowings and finance lease liabilities total HK$65.1 million). As at 31 December 2014, all the bank borrowings are denominated in Hong Kong dollars. As at 31 December 2013, borrowings of HK$30.3 million and HK$34.8 million are denominated in Hong Kong dollars and US dollars respectively. All borrowings are at floating rates and repayable within five years and subject to a repayable on demand clause. The net book amount of property, plant and equipment includes net carrying amount of nil (2013: HK$19.0 million) in respect of assets held under finance leases.

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

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Lau Chuk Kin, aged 62, is Chairman of the Company. Mr. Lau was appointed as Executive Director in October 2002. Mr. Lau was formerly the Managing Director of a leading executive search consultancy in Hong Kong. He also founded a main board listed printing company. Mr. Lau holds a Bachelor of Arts Degree from the University of Minnesota and a Master of Business Administration degree from The Chinese University of Hong Kong. He is also an executive director of 1010 Printing Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1127) and OPUS Group Limited, a subsidiary of 1010 Printing Group Limited whose shares are listed on the Australian Securities Exchange.

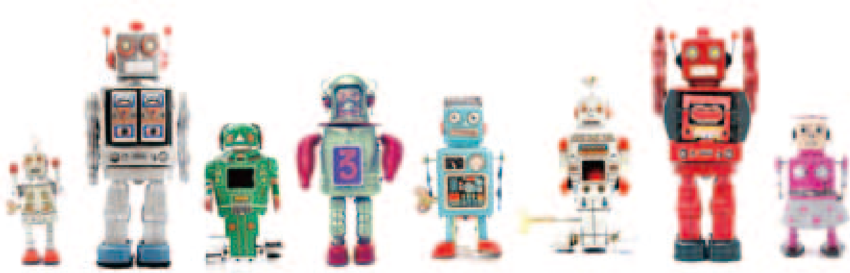
Ms. Lam Mei Lan, aged 48, was appointed as an Executive Director of the Company in October 2002. She is also the Company Secretary of the Group. During the period from July 2003 to May 2008, Ms. Lam had served as a Non-Executive Director. Ms. Lam holds a Doctor of Business Administration degree from The Hong Kong Polytechnic University. She is a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Lam has over 25 years of experience in finance and has held senior financial positions in various main board listed companies and a non-profit charitable organization in Hong Kong. Ms. Lam is also an executive director of 1010 Printing Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1127) and OPUS Group Limited, a subsidiary of 1010 Printing Group Limited whose shares are listed on the Australian Securities Exchange.

NON-EXECUTIVE DIRECTORS

Mr. Wan Siu Kau, aged 63, joined the Group in January 2003 as a Non-Executive Director. Mr. Wan has over 20 years of experience in the executive search industry and holds a Master of Business Administration degree from The Chinese University of Hong Kong. He was previously Managing Partner of Amrop Hever, a global executive search firm, during which period he simultaneously served as Head of Asia Pacific and Vice Chairman of the international group. He is currently an independent non-executive director of Wai Kee Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Lee Ching Ming, Adrian, aged 63, was appointed as a Non-Executive Director in June 2002. Mr. Lee graduated from The University of Hong Kong with a Bachelor of Social Sciences degree. He is an executive director and chief executive officer of Eagle Asset Management (CP) Limited and has more than 40 years of experience in banking, finance, investment, marketing and general management.

Mr. Peter Stavros Patapios Christofis, aged 70, was appointed as a Non-Executive Director in March 2000. He was the Managing Director of JCDecaux Pearl & Dean – Hong Kong from where he retired in 2003. From 2003 to 2012, he was a consultant – International Transport Media to JCDecaux. Mr. Christofis has over 40 years of advertising sales and general management experience gained in Europe, Africa and South East Asia.



Directors and Senior Management Profile

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mrs. Ling Lee Ching Man, Eleanor, SBS, OBE, JP, aged 67, was appointed as an Independent Non-Executive Director in April 2000. Mrs. Ling had over 30 years of management experience with one of the largest multinational Group in Asia and is a Fellow of the Institute of Chartered Management. Mrs. Ling has retired but remains involved in public services such as the Law Reform Commission and the Medical Council. She is also involved in charitable & non-profit-making organizations e.g. the Maggie's Cancer Caring Centre, Musica Viva Limited. She is a Vice Patron of the Community Chest.

Mr. Cheng Ping Kuen, Franco, aged 61, was appointed as an Independent Non-Executive Director in January 2003. Mr. Cheng has over 30 years of experience in the management of private banking and investment businesses both in Hong Kong and Canada. Mr. Cheng holds a Master's degree in Business Administration from The Chinese University of Hong Kong. Prior to his retirement in 2011, he was the Managing Director and Head of North Asia - Private Wealth Management for Pictet (Asia) Limited.

Mr. Ho David, aged 66, was appointed as an Independent Non-Executive Director in February 2010. Mr. Ho has over 44 years of experience in finance and accounting. He is a fellow member of the Association of Chartered Certified Accountants of the UK, the Hong Kong Institute of Certified Public Accountants and CPA Australia. He holds a Master of Business Administration degree from the Chinese University of Hong Kong. Mr. Ho is currently an independent non-executive director of Build King Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong.

SENIOR MANAGEMENT

Ms Chan Sin Mei, Garfield, aged 44 is the General Manager of our recruitment advertising division. She rejoined the Group in October 2014. Ms Chan is responsible for the recruitment and display advertising business of the Group. Ms Chan has over 23 years of experience in the advertising industry. Ms Chan was the Account Director of the Group's recruitment advertising division during the period from April 1992 to July 2002. She was the Associate Sales Director of Careertimes Online Ltd before joining the Group.

Ms. Lam Lai Chu, Rachel, aged 38, is the General Manager of our inflight magazine advertising division. She rejoined the Group in 2012. Ms. Lam was the Assistant General Manager of the inflight magazine advertising division and responsible for the sales and marketing function during the period from 2004 to 2011. She holds a Bachelor of Social Sciences degree (Hons) from the University of Hong Kong and has over 10 years of experience in sales and marketing.

Ms. Ding Yin, Minnie, aged 42, is the Deputy General Manager of our inflight magazine advertising division. She joined the Group in 2010. Ms. Ding holds a Bachelor's degree in English from Changsha Railway University. Ms. Ding is responsible for the sales and marketing function of our inflight magazine advertising division in the PRC. She has over 10 years of experience in sales and marketing.

Directors' Report

The Directors present their annual report and the audited financial statements of the Company and the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in note 41 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 24 to 25.

The Directors have declared an interim dividend of HK$0.055 (2013: HK$0.08) per share, totaling HK$18,350,000 which was paid on 11 September 2014.

The Directors recommended a final dividend of HK$0.06 (2013: HK$0.2) per share (the "Final Dividend") for the year ended 31 December 2014 payable to shareholders whose names appear on the Register of Members of the Company at the close of business on 5 May 2015. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the Final Dividend will be payable on 15 May 2015.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 28 to 29 and note 34 to the financial statements respectively.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 95 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 32 to the financial statements.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors
Mr. Lau Chuk Kin
Ms. Lam Mei Lan

Non-Executive Directors
Mr. Wan Siu Kau
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

In accordance with No. 87 of the Company's bye-laws, Mr. Lau Chuk Kin, Mrs. Ling Lee Ching Man, Eleanor and Mr. Cheng Ping Kuen, Franco will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

DIRECTORS' SERVICES CONTRACT

Each of the non-executive directors in 2014 has entered into a service contract with the Company for a term of two years ending on 31 December 2015 and is subject to termination by either party giving not less than one month's prior written notice to the other.

None of the directors being proposed for re-election at the forthcoming annual general meeting has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company required to be kept under section 352 of the SFO, or as 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 (the "Model Code") were as follows:

(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	183,632,000	183,632,000	55.04
Ms. Lam Mei Lan	2,400,000	Nil	Nil	2,400,000	0.72
Mr. Lee Ching Ming, Adrian	150,500	Nil	Nil	150,500	0.05
Mr. Peter Stavros Patapios Christofis	670,500	Nil	Nil	670,500	0.20
Mr. Cheng Ping Kuen, Franco	120,000	Nil	Nil	120,000	0.04

Directors' Report

(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

Notes:

1. Of 183,632,000 shares, 5,678,000 shares and 177,954,000 shares are beneficially owned by ER2 Holdings and City Apex Limited respectively. As at 31 December 2014, Mr. Lau Chuk Kin beneficially owned 67% of the issued share capital of ER2 Holdings, which is the ultimate holding company of City Apex Limited. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 December 2014, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests of 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.

SHARES OPTIONS

Details of the movements in the share options of the Company during the year are set out in note 33 to the financial statements.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executive or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, 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	Number of shares	Percentage in the issued share capital of the Company
		%
Mr. Lau Chuk Kin (Note 1)	183,632,000	55.04
ER2 Holdings Limited (Note 1)	183,632,000	55.04
City Apex Limited (Note 1)	177,954,000	53.34
HSBC International Trustee Limited (Note 2)	21,638,000	6.49
Great Eagle Holdings Limited (Note 2)	21,638,000	6.49
Jolly Trend Limited (Note 2)	21,638,000	6.49
The Great Eagle Company, Limited (Note 3)	21,638,000	6.49
Dr. Lo Ka Shui (Note 4)	21,788,000	6.53
Chan Family Investment Corporation Limited (Note 5)	20,115,333	6.03
Tai Wah Investment Company Limited (Note 5)	18,000,000	5.40
FMR LLC	16,728,000	5.01

Notes:

1. Of the 183,632,000 shares, Mr. Lau Chuk Kin is deemed to be interested in the 5,678,000 shares directly held by ER2 Holdings. City Apex Limited which is owned as to 77% by ER2 Holdings and 23% by Wellsmart Assets Limited, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited. Each of Mr. Lau Chuk Kin and ER2 Holdings is deemed to be interested in the 177,954,000 shares owned by City Apex Limited.

2. Each of HSBC International Trustee Limited, Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,638,000 shares owned by The Great Eagle Company, Limited.

3. Of these shares, 21,638,000 shares are duplicated in the interest described in note 2, as The Great Eagle Company, Limited is a wholly-owned subsidiary of Great Eagle Holdings Limited.

4. Dr. Lo Ka Shui 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.

5. Of these shares, 1,117,333 shares are directly owned by Chan Family Investment Corporation Limited, 998,000 shares are held by a subsidiary of Chan Family Investment Corporation Limited. Chan Family Investment Corporation Limited was deemed to be interested in the shares held by Tai Wah Investment Company Limited.

Save as disclosed above, as at 31 December 2014, 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.

Directors' Report

CONNECTED TRANSACTIONS

Details of the transactions regarded as connected transactions for the year are set out in note 40 to the financial statements. Save as disclosed above, the Group has not entered into any other connected transaction or continuing connected transaction for the year which should be disclosed pursuant to the requirements of Chapter 14A of the Listing Rules.

MAJOR SUPPLIERS AND CUSTOMERS

The top five suppliers in aggregate and the single largest supplier of the Group accounted for approximately 95% and 55% of the Group's total purchases in continuing operations for the year ended 31 December 2014 respectively.

The top five customers in aggregate and the single largest customer of the Group accounted for approximately 54% and 23% of the Group's total sales in continuing operations for the year ended 31 December 2014 respectively.

At no time during the year did a Director, an associate of a Director, within the meaning of the Listing Rules, or a shareholder of the Company which to the knowledge of the Directors owns more than 5% of the Company's share capital have any interest in the Group's five largest suppliers and five largest customers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

Interests of the directors of the Company in competing businesses required to be disclosed pursuant to the Listing Rules are as follows:

Name of director	Name of company	Nature of competing business	Nature of interest
Mr. Lau Chuk Kin	International Resources Group Limited ("IRG")	Executive search in the United Kingdom	As a director of the IRG's subsidiary in Hong Kong and having indirect interest of less than 1% in IRG

Note:

1. Mr. Lau Chuk Kin is an indirect shareholder of IRG. He has been appointed as director of Odgers Ray & Berndtson (Hong Kong) Limited, a subsidiary of IRG, since August 2008. IRG is a company providing human resources/recruitment consulting services with a focus on senior executive and board level appointments, while the Group provides staff selection service which forms only a minimal part of the Group's income as an ancillary service for promoting its recruitment website. IRG is managed by independent management in the United Kingdom. Having considered (i) the nature, scope and size of the IRG businesses; and (ii) the nature and extent of Mr. Lau's interest in IRG, the directors of the Company believe that there is a clear delineation and no competition between the businesses of the Group and IRG.

Save as disclosed in this section, none of the Directors of the Company or any of their respective associates (as defined in the Listing Rules) has any business or interest that competes or may compete with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained throughout the year ended 31 December 2014, the amount of public float as required under the Listing Rules.

Directors' Report

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

CORPORATE GOVERNANCE

A report on the corporate governance practices adopted by the Company is set out on pages 16 to 21 of the annual report.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2014, the Group had around 115 employees (2013: 1,095). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Lau Chuk Kin
Chairman
Hong Kong, 3 March 2015

Corporate Governance Report

The Group has adopted practices which meet the Corporate Governance Code and Corporate Governance Report for the year (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the" Stock Exchange"). The report describes its corporate governance practices, explains the applications of the principles of the Code and deviations, if any.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules 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 as set out in the Model Code regarding securities transactions by the Directors throughout the year ended 31 December 2014.

BOARD OF DIRECTORS

The Board currently comprises eight Directors, of whom two are Executive Directors, three are Non-Executive Directors and three are Independent Non-Executive Directors. The Board has in its composition a balance of skills and experience necessary for decision making and fulfilling its business needs. The participation of Non-Executive Directors in the Board brings independent judgement on issues relating to the Group's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered.

Each of the Non-Executive Directors has entered into a service contract with the Company for a term of two years and is subject to termination by either party giving not less than one month's prior written notice to the other.

The Board considers that all of the Independent Non-Executive Directors are independent and has received from each of them the annual confirmation of independence required by the Listing Rules.

The Board members for the year ended 31 December 2014 were:

Chairman
Mr. Lau Chuk Kin

Executive Directors
Mr. Lau Chuk Kin
Ms. Lam Mei Lan

Non-Executive Directors
Mr. Wan Siu Kau
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

The Board is responsible for the approval and monitoring of the Group's overall strategies and policies; approval of business plans; evaluating the performance of the Group and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates day-to-day operations of the Group to Executive Directors and senior management of every business segment, while reserving certain key matters for its approval. Decisions of the Board are communicated to the management through Executive Directors who have attended Board meetings.

The Company had arranged for appropriate liability insurance for the directors and officers of the Group for indemnifying their liabilities arising from corporate activities.

Corporate Governance Report

During the year, all Directors have been provided, on a monthly basis, with the Group's management information updates to give them aware of the Group's affairs and facilitates them to discharge their duties under the relevant requirements of the Listing Rules.

There were 4 Board meetings and 1 annual general meeting ("AGM") held in 2014. Details of the attendance of each director are as follows:

	Attended/Held	
Directors	Board meeting	AGM
Mr. Lau Chuk Kin	4/4	1/1
Ms. Lam Mei Lan	4/4	1/1
Mr. Wan Siu Kau	4/4	1/1
Mr. Lee Ching Ming, Adrian	4/4	1/1
Mr. Peter Stavros Patapios Christofis	1/4	0/1
Mrs. Ling Lee Ching Man, Eleanor	4/4	0/1
Mr. Cheng Ping Kuen, Franco	4/4	0/1
Mr. Ho David	4/4	1/1

ACCOUNTABILITY AND AUDIT

The Directors were responsible for overseeing the preparation of the financial statements for the year ended 31 December 2014.

The Directors' responsibilities for the preparation of the financial statements and the auditor's responsibility are set out in the Independent Auditor's Report.

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of the shareholders and the Group's assets.

During the year, the Company conducted reviews on the effectiveness of the internal control system. The Audit Committee reviewed the internal control report. No major issue has been identified during the course of review.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Mr. Lau Chuk Kin is the chairman of the Company. The Chairman's responsibility is to oversee the functioning of the Board and the strategies and policies of the Group.

The Company has no specific title named as chief executive officer and the daily operation and management of the Company is monitored by the executive directors.

PROFESSIONAL DEVELOPMENT

Every newly appointed Director will be given an induction training so as to ensure that he/she has appropriate understanding of the Group's business and his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

Corporate Governance Report

The Company also provides regular updates on the business development of the Group. The Directors are regularly briefed on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, the Company has been encouraging the Directors to enroll in professional development courses and seminars relating to the Listing Rules, companies ordinance and corporate governance practices organized by professional bodies or chambers in Hong Kong. All directors are requested to provide the Company with their respective training records pursuant to the Code.

All Directors have participated in appropriate continuous professional development and refresh their knowledge and skills during the year. Such professional development was completed either by way of attending briefings, conference, forum, courses and seminars and self-reading which are relevant to the business or directors' duties.

CORPORATE GOVERNANCE FUNCTIONS

The Board delegated the Corporate Governance Functions to the compliance officer, Mr. Lau Chuk Kin. The compliance officer is responsible for the corporate governance duties as follows:

(a) To develop and review the Company's policies and practices on corporate governance and make recommendations to the board;

(b) To review and monitor the training and continuous professional development of directors and senior management;

(c) To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) To review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

COMPANY SECRETARY

The company secretary of the Company is Ms. Lam Mei Lan, a fellow member of The Hong Kong Institute of Certified Public Accountants. Ms. Lam is also an executive Director. As an employee of the Company, the company secretary assists the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. She has taken not less than 15 hours of relevant professional training in 2014.

REMUNERATION COMMITTEE

The Remuneration Committee comprises three Independent Non-Executive Directors, namely Mr. Cheng Ping Kuen, Franco, Mrs. Ling Lee Ching Man, Eleanor, and Mr. Ho David. Mr. Cheng Ping Kuen, Franco is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are posted on the Company's website. The principal functions include:

– to recommend to the Board on the Company's policies and structure for the remuneration of the Directors and senior management of the Group;

– to determine the remuneration packages of all Executive Directors and senior management of the Group;

– to review and approve the management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time.

The principal elements of executive remuneration package include basic salary, discretionary bonus and share option. The emoluments of Executive Directors are based on skill, knowledge and involvement in the Company's affairs of each Director and are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

During the year, a meeting with 100% attendance of the Remuneration Committee's members was duly held for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the Executive Directors and the senior executives and other related matters.

Pursuant to paragraph B.1.5 of the Code, the remuneration of the members of the senior management by band for the year ended 31 December 2014 is set out below:

Remuneration band	Number of individuals
HK$0 – HK$1,000,000	1
HK$1,000,001 – HK$1,500,000	1
HK$1,500,001 – HK$2,000,000	1

NOMINATION COMMITTEE

The Nomination Committee of the Company was established in March 2012 comprising the Non-executive Director Mr. Wan Siu Kau, the Executive Director Mr. Lau Chuk Kin, and the Independent Non-executive Directors namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David. The Chairman of the Nomination Committee is Mr. Wan Su Kau. The terms of reference of the Nomination Committee are posted on the Company's website.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors, selecting or making recommendations to the Board on nominations, appointment or re-appointment of Directors and Board succession, and assessing the independence of the independent non-executive directors.

During the year, a meeting with 100% attendance of the Nomination Committee's members was duly held for reviewing the structure, size and composition, and assessing the independence of the independent non-executive directors of the board of directors.

AUDIT COMMITTEE

The Audit Committee was established in April 2000. It comprises three Independent Non-Executive Directors, namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David. The chairman of the Audit Committee is Mr. Ho David.

The terms of reference of the Audit Committee, which are in compliance with the Listing Rules, are posted on the Company's website. Under the terms of reference, the Audit Committee is responsible for overseeing the relationship between the Company and its external auditor, reviewing the Group's financial information and overseeing the Group's financial reporting, internal control and risk management systems.

The Audit Committee held three meetings in 2014. Details of the attendance record of the committee meetings are as follows:

Committee members	Attended/Held
Mrs. Ling Lee Ching Man, Eleanor	3/3
Mr. Cheng Ping Kuen, Franco	3/3
Mr. Ho David	3/3

Corporate Governance Report

During the year, the Audit Committee met with senior management to review the Group's draft annual report and accounts, half-yearly report, internal audit report, risk assessment report and circulars, and provided advice and comments thereon to the Company's Board of Directors. The Audit Committee members met with internal and external auditors to discuss matters arising from the audit. The Audit Committee also discussed with the external auditor the nature and scope of the audit and reporting obligations before the audit commenced.

The Group's 2014 interim report and 2013 annual report have been reviewed by the Audit Committee, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. For the 2013 annual report, the Audit Committee met with the external auditor to discuss auditing, internal control, statutory compliance and financial reporting matters before recommending it to the Board for approval. The Audit Committee also monitored the Company's progress in implementing the code provisions on corporate governance practices as required under the Listing Rules.

AUDITOR'S REMUNERATION

The fees in relation to the audit service provided by BDO Limited, the external auditor of the Company, for the year ended 31 December 2014 amounted to HK$650,000 (2013: HK$1,410,000), and those in relation to non-audit services was nil (2013:HK$100,000).

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders' Communication Policy in March 2012 reflecting mostly the current practices of the Company for communication with its shareholders. Information will be communicated to shareholders through:

- continuous disclosure to the Stock Exchange of all material information;
- periodic disclosure through the annual and interim reports;
- notices of meetings and explanatory material;
- the annual general meetings and other general meetings; and
- the Company's website at www.cinderellagroup.com.hk

The Board endeavours to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation. The chairman of the Board attended the annual general meeting held in 2014 to answer questions and collect views of shareholders. The chairmen of the audit and nomination committees and the external auditor also attended the annual general meeting to answer questions of shareholders.

SHAREHOLDERS' RIGHTS

(i) Procedures for members to convene a special general meeting ("SGM")

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office in Bermuda and its principal place of business in Hong Kong, for the attention of the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the Shareholders concerned themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act, but any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

The written requisition must state the purposes of the general meeting, signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Members. On the contrary, if the requisition is invalid, the Shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

The notice period to be given to all the registered Members for consideration of the proposal raised by the shareholders concerned at a SGM varies according to the nature of the proposal, as follows:

– at least twenty-one clear days' and not less than ten clear business days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than a mere clerical amendment to correct a patent error; and

– at least fourteen clear days' and not less than ten clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.

(ii) Procedures for a member to propose a person for election as a director

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available under the Corporate Governance section of the Company's website at www.cinderellagroup.com.hk

(iii) Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the principal place of business of the Company in Hong Kong or by e-mail to enquiry@cinderellagroup.com.hk for the attention of the Company Secretary.

(iv) Procedures for putting forward proposals at a general meeting

Shareholders holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting of the Company; or (ii) not less then 100 Shareholders, can submit a written request stating the resolution intended to be moved at the AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the Shareholders concern and deposited at the Company's registered office in Bermuda and its principal place of business in Hong Kong for the attention of the Company Secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the Shareholders concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholders concerned in accordance with the statutory requirements to all the registered Members. On the contrary, if the requisition is invalid or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Independent Auditor's Report

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

To the shareholders of CINDERELLA MEDIA GROUP LIMITED
先傳媒集團有限公司
(incorporated in Cayman Islands and redomiciled to Bermuda with limited liability)

We have audited the consolidated financial statements of Cinderella Media Group Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 24 to 94, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants

Li Pak Ki
Practising Certificate Number P01330

Hong Kong, 3 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014	2013
		HK$'000	HK$'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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014	2013
		HK$'000	HK$'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	2013
		HK$'000	HK$'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

Director *Director*

Statement of Financial Position

As at 31 December 2014

	Notes	2014	2013
		HK$'000	HK$'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

Director

Director

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

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 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	2013
		HK$'000	HK$'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

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014	2013
		HK$'000	HK$'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 24 to 94 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 amorisation 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

Impairment of financial assets (continued)
Financial assets carried at amortised cost (continued)
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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial guarantees issued (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Impairment of non-financial assets (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Notes to the Financial Statements
For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Accounting for income taxes (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Segment reporting (continued)

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).

Notes to the Financial Statements

For the year ended 31 December 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Related parties (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

3. ADOPTION OF NEW OR AMENDED HKFRSs (continued)

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(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	HK$'000	HK$'000
		(restated)		
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).

6. SEGMENT INFORMATION (continued)

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

Notes to the Financial Statements

For the year ended 31 December 2014

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.

Notes to the Financial Statements

For the year ended 31 December 2014

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(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

Notes to the Financial Statements

For the year ended 31 December 2014

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

14. DISCONTINUED OPERATIONS (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

15. DIVIDENDS AND DISTRIBUTION (continued)

(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.

16. EARNINGS PER SHARE (continued)

(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.

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17. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold land and buildings	Furniture and fixtures	Office equipment	Leasehold improvements	Computer equipment and system	Motor vehicles	Machinery	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2013								
Cost	19,775	5,703	5,707	44,882	37,287	2,226	266,950	382,530
Accumulated depreciation	(784)	(4,137)	(3,954)	(27,359)	(34,853)	(1,261)	(90,778)	(163,126)
Net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
Year ended 31 December 2013								
Opening net book amount	18,991	1,566	1,753	17,523	2,434	965	176,172	219,404
Exchange differences	71	(2)	18	3	5	17	3,797	3,909
Additions	–	382	673	8,485	1,125	2,024	15,628	28,317
Disposals	–	(4)	(56)	(679)	(2)	(254)	(6,785)	(7,780)
Transfer to investment properties (Note 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

17. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

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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

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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

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25. TRADE AND OTHER RECEIVABLES AND DEPOSITS (continued)

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

25. TRADE AND OTHER RECEIVABLES AND DEPOSITS (continued)

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

27. PLEDGED CASH AND BANK BALANCES AND CASH AND CASH EQUIVALENTS (continued)

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.

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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

31. DEFERRED TAX (continued)

Group (continued)

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.

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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.

33. SHARE-BASED EMPLOYEE COMPENSATION (continued)

Share option scheme of the Company (continued)

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

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33. SHARE-BASED EMPLOYEE COMPENSATION (continued)

Share option scheme of the Company (continued)

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.

33. SHARE-BASED EMPLOYEE COMPENSATION (continued)

Share option scheme of a former subsidiary (continued)

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.

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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.

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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

38. DISPOSAL/DISTRIBUTION OF SUBSIDIARIES (continued)

(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.

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38. DISPOSAL/DISTRIBUTION OF SUBSIDIARIES (continued)

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

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)

38. DISPOSAL/DISTRIBUTION OF SUBSIDIARIES (continued)

(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)

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For the year ended 31 December 2014

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.

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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	26 September 1997	Hong Kong, limited liability company	Ordinary	HK$1,000	100%	Publishing and investment trading, Hong Kong
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
海穗廣告 (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
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
廣州天晉廣告有限公司*	17 October 2013	PRC, limited liability company	N/A	HK$1,000,000 (registered capital)	100%	Provision of advertising services, PRC

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

* 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

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42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (continued)

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.

42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (continued)

(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.

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43. FINANCIAL RISK MANAGEMENT (continued)

(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.

43. FINANCIAL RISK MANAGEMENT (continued)

(b) Currency risk (continued)

For the year ended 31 December 2013 (continued)

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.

Notes to the Financial Statements

For the year ended 31 December 2014

43. FINANCIAL RISK MANAGEMENT (continued)

(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

43. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

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

43. FINANCIAL RISK MANAGEMENT (continued)

(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.

Financial Summary

For the year ended 31 December 2014

FINANCIAL RESULTS

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated in accordance with HKFRS5 "Non-current Assets Held for Sale and Discontinued Operations", is set out below:

	Financial year ended 31 December				
	2010	2011	2012	2013	2014
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(restated)	(restated)	(restated)	(restated)	
CONTINUING OPERATIONS					
Turnover	630,550	785,390	825,976	556,152	476,149
Profit before income tax	115,924	141,775	169,293	74,578	34,514
Income tax expense	(8,079)	(12,189)	(48,525)	(22,705)	(16,554)
Profit for the year from continuing operations	107,845	129,586	120,768	51,873	17,960
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	61,656	62,354	68,150	121,421	76,675
Profit for the year	169,501	191,940	188,918	173,294	94,635
Attributable to:					
Owners of the Company	157,528	173,842	161,732	125,399	78,913
Non-controlling interests	11,973	18,098	27,186	47,895	15,722
Profit for the year	169,501	191,940	188,918	173,294	94,635

	As at 31 December				
	2010	2011	2012	2013	2014
	HK'$000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	836,064	1,145,522	1,337,381	1,283,569	266,081
Total liabilities	(287,073)	(367,243)	(523,576)	(376,635)	(86,555)
Total equity	548,991	778,279	813,805	906,934	179,526

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Chuk Kin *(Chairman)*
Ms. Lam Mei Lan

Non-Executive Directors

Mr. Wan Siu Kau
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 *FCPA, 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
Mr. Ho David
Mrs. Ling Lee Ching Man, Eleanor
Mr. Cheng Ping Kuen, Franco

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
No. 1 Queen's Road Central
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Registrar

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay 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

Cinderella Media Group Limited
先傳媒集團有限公司

26/F, 625 King's Road, North Point, Hong Kong
www.cinderellagroup.com.hk