中國傳媒影視控股有限公司*
China Media and Films Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8172)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of China Media and Films Holdings Limited (the "Company") collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

* *For identification only*

ANNUAL RESULTS

The board of directors (the "Board") of China Media and Films Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013, together with the comparative figures for 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013** ***HK$'000***	2012 *HK$'000* (Restated)
Continuing operations			
Turnover	*6*	**15,698**	26,547
Cost of sales		**(10,948)**	(20,430)
Gross profit		**4,750**	6,117
Other revenue and other income	*7*	**2,445**	442
Administrative expenses		**(19,139)**	(17,864)
Finance costs	*8*	**(563)**	(686)
Share of losses of joint ventures		**(322)**	(17)
Loss before tax	*9*	**(12,829)**	(12,008)
Income tax expense	*10*	**—**	—
Loss for the year from continuing operations		**(12,829)**	(12,008)
Discontinued operation	*11*		
Loss for the year from discontinued operation		**—**	(3,092)
Loss for the year		**(12,829)**	(15,100)
Loss for the year attributable to:			
Owners of the Company		**(12,828)**	(15,100)
Non-controlling interests		**(1)**	—
		(12,829)	(15,100)
Total comprehensive loss attributable to:			
Owners of the Company		**(12,828)**	(15,100)
Non-controlling interests		**(1)**	—
		(12,829)	(15,100)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Loss per share	*12*		
From continuing and discontinued operations			
Basic and diluted		**HK(2.54) cents**	HK(2.99) cents
From continuing operations			
Basic and diluted		**HK(2.54) cents**	HK(2.38) cents
From discontinued operation			
Basic and diluted		**N/A**	HK(0.61) cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	31 December 2013 HK$'000	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment		**1,721**	2,244	364
Film rights		**912**	1,188	1,188
Goodwill		**—**	—	3,280
Interests in joint ventures		**28,317**	28,639	28,656
Total non-current assets		**30,950**	32,071	33,488
Current assets				
Trade receivables	*13*	**50**	53	1,300
Deposits, prepayments and other receivables	*14*	**3,116**	9,963	7,898
Amounts due from joint ventures		**6**	12	6
Cash and cash equivalents		**48,780**	53,533	70,111
Total current assets		**51,952**	63,561	79,315
LIABILITIES				
Current liabilities				
Trade payables	*15*	**—**	71	11
Accruals and other payables		**5,292**	2,820	3,734
Receipts in advance		**3,408**	4,348	6,251
Convertible loan notes		**—**	5,637	—
Total current liabilities		**8,700**	12,876	9,996
Net current assets		**43,252**	50,685	69,319
Total assets less current liabilities		**74,202**	82,756	102,807
Non-current liability				
Convertible loan notes		**—**	—	4,951
Total non-current liability		**—**	—	4,951
Net assets		**74,202**	82,756	97,856
EQUITY				
Share capital		**5,056**	5,056	5,056
Reserves		**69,137**	77,700	92,800
Equity attributable to owners of the Company		**74,193**	82,756	97,856
Non-controlling interests		**9**	—	—
Total equity		**74,202**	82,756	97,856

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Share capital *HK$'000*	Share premium *HK'000*	Contributed surplus *HK'000*	Convertible loan notes reserve *HK'000*	Retained profits/ (accumulated losses) *HK'000*	Sub-total *HK'000*	Non-controlling interests *HK'000*	Total *HK$'000*
At 1 January 2012	5,056	47,383	28,294	2,381	14,742	97,856	—	97,856
Net loss for the year	—	—	—	—	(15,100)	(15,100)	—	(15,100)
Other comprehensive income for the year	—	—	—	—	—	—	—	—
Total comprehensive loss for the year	—	—	—	—	(15,100)	(15,100)	—	(15,100)
At 31 December 2012 and 1 January 2013	5,056	47,383	28,294	2,381	(358)	82,756	—	82,756
Net loss for the year	—	—	—	—	(12,828)	(12,828)	(1)	(12,829)
Other comprehensive income for the year	—	—	—	—	—	—	—	—
Total comprehensive loss for the year	—	—	—	—	(12,828)	(12,828)	(1)	(12,829)
Non-controlling interests arising on issuing ordinary share of subsidiary	—	—	—	—	—	—	10	10
Transfer to accumulated losses upon extinguishment of old convertible loan notes	—	—	—	(2,381)	2,381	—	—	—
Recognition of the equity component of new convertible loan notes	—	—	—	4,265	—	4,265	—	4,265
At 31 December 2013	**5,056**	**47,383**	**28,294**	**4,265**	**(10,805)**	**74,193**	**9**	**74,202**

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 11 June 2001 and continued in Bermuda on 16 March 2009. The Company's shares have been listed on the GEM of the Stock Exchange since 26 March 2002.

The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Rooms 2506-09, 25/F., China Resources Building, No.26 Harbour Road, Wanchai, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

The Company's principal activity is investment holding and the principal activities of its subsidiaries and joint ventures are provision of artist management, and film production and distribution.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 January 2013. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised in 2011)	Employee Benefits
HKAS 27 (Revised in 2011)	Separate Financial Statements
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle Issued in June 2012
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12-Transition Guidance
HKFRS 13	Fair Value Measurement
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

The principle effect of adopting these HKFRSs are as follows:

HKFRS 7 (Amendments) Disclosures — Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011), together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the portion of HKAS 27 that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled. The application of this new standard has no financial impact on the Group.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, HK(SIC)-Int 13, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's investments in China Star Film Group Limited and its subsidiary ("China Star Film Group"), which were classified as joint ventures under HKAS 31 and were accounted for using the proportionate consolidation method, should be classified as joint ventures under HKFRS 11 and accounted for using the equity method.

The change in accounting of the Group's investments in China Star Film Group has been applied in accordance with the relevant transitional provisions set out in HKFRS 11. Comparative amounts for 2012 have been restated to reflect the change in accounting for the Group's investments in China Star Film Group. The initial investment as at 1 January 2012 for the purposes of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated (see the tables below for details). Also, the directors of the Company performed an impairment assessment on the initial investment at 1 January 2012 and concluded that no impairment loss is required.

Impact of the application of HKFRS 12

HKFRS 12 sets out the disclosure requirement for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27, HKAS 31 and HKAS 28. It also introduces a number of new disclosure requirements for these entities.

The HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments) clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. These amendments have no material impact on the Group.

HKFRS 13 Fair Value Measurement

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across HKFRSs. The Standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. The application of this new standard has no material financial impact on the Group.

HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1. The amendments introduce new terminology for the statement of comprehensive income and income statement. The amendments to HKAS 1 retain the option to present income statement and other comprehensive income in either a single statement or in two separate but consecutive statement. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on consolidated income statement, other comprehensive income and total comprehensive income.

Changes in accounting policies and disclosures

The adoption of HKFRS 11 did not have any impact on the loss per share attributable to ordinary equity holders of the parent and other comprehensive income for the year ended 31 December 2012.

	For the year ended 31 December 2012 *HK$'000*
Decrease in administration expenses	(17)
Increase in share of losses of joint ventures	17
Net effect in loss for the year	—
Net effect in loss for the year attributable to owners of the Company	—

The effect of the change in accounting policies under HKFRS 11 described above on the financial position of the Group at the end of the immediately preceding financial year, i.e. 31 December 2012, is as follows:

	At 31 December 2012 as previously reported *HK$'000*	HKFRS 11 adjustments *HK$'000*	At 31 December 2012 (Restated) *HK$'000*
Film rights and film in progress	1,601	(413)	1,188
Interests in joint ventures	—	28,639	28,639
Deposits, prepayments and other receivables	10,772	(809)	9,963
Amounts due from joint ventures	—	12	12
Cash and cash equivalents	80,968	(27,435)	53,533
Accruals and other payables	(2,826)	6	(2,820)
Total effects on net assets	—	—	—
Total effects on accumulated losses	—	—	—

The effects of the change in accounting policies under HKFRS 11 described above on the financial position of the Group at the beginning of the comparative period, i.e. 1 January 2012, is as follows:

	At 1 January 2012 as previously reported *HK$'000*	HKFRS 11 adjustments *HK$'000*	At 1 January 2012 (Restated) *HK$'000*
Film rights and film in progress	1,601	(413)	1,188
Interests in joint ventures	—	28,656	28,656
Deposits, prepayments and other receivables	8,706	(808)	7,898
Amounts due from joint ventures	—	6	6
Cash and cash equivalents	97,558	(27,447)	70,111
Accruals and other payables	(3,740)	6	(3,734)
Total effects on net assets	—	—	—
Total effects on retained profits	—	—	—

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Presentation — Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[4]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39[4]
HKFRS 10, HKFRS 12 and HKAS 27 (Revised in 2011)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HK(IFRIC) — Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permited

[2] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted

[3] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

[4] No mandatory effective date yet determined but is available for adoption

Management is in the process of making an assessment of the impact of these new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.

4. BASIS OF PREPARATION

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker to make strategic decisions.

The Group's continuing operations and reportable segments under HKFRS 8 are as follows:

(i)	Artist management	Service income from provision of artist management
(ii)	Film production and distribution	Investment in, production of, sale and distribution of films

An operating segment regarding infrared consultancy services was discontinued in the prior year. The segment information reported below does not include any amounts for this discontinued operation.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Artist management		Film production and distribution		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012
	HK'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)		(Restated)
Segment revenue						
Revenue to external customers	**15,667**	26,543	**31**	4	**15,698**	26,547
Segment results						
Segment loss	**(1,551)**	(3,953)	**(294)**	(5)	**(1,845)**	(3,958)
Unallocated other revenue and other income					**2,257**	129
Unallocated expenses					**(12,356)**	(7,476)
Loss from operating activities					**(11,944)**	(11,305)
Share of losses of joint ventures					**(322)**	(17)
Finance costs					**(563)**	(686)
Loss before tax					**(12,829)**	(12,008)
Income tax expense					**—**	—
Loss for the year					**(12,829)**	(12,008)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment results represents the (loss)/profit (suffered)/earned by each of segment without allocation of central administration costs including directors' emoluments, share of losses of joint ventures, other income and other revenue, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	Artist management		**Film production and distribution**		**Consolidated**	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)		(Restated)
Segment assets	**48,618**	54,129	**2,402**	2,707	**51,020**	56,836
Unallocated assets					**31,882**	38,796
Total assets					**82,902**	95,632
Segment liabilities	**3,833**	5,379	**—**	—	**3,833**	5,379
Unallocated liabilities					**4,867**	7,497
Total liabilities					**8,700**	12,876

For the purpose of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segment other than interests in joint ventures, unallocated head office and corporate assets as these assets are managed on a group basis. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

All liabilities are allocated to reportable segments other than convertible loan notes, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

(c) Other segment information

	Artist management		Film production and distribution		Unallocated		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)		(Restated)		(Restated)
Continuing operations								
Depreciation of property, plant and equipment	**5**	6	**—**	—	**518**	385	**523**	391
Addition to non-current assets *(Note)*	**—**	3	**—**	—	**—**	2,372	**—**	2,375
Impairment loss recognised in respect of film rights	**—**	—	**276**	—	**—**	—	**276**	—
Impairment loss recognised in respect of deposits to artists	**2,554**	—	**—**	—	**—**	—	**2,554**	—
Gain on disposal of property, plant and equipment	**70**	—	**—**	—	**—**	—	**70**	—

Note: Non-current assets excluded those relating to discontinued operation, interests in joint ventures and financial instruments

(d) Geographical information

In determining the Group's geographical information, revenue information is based on the location of the customers, and asset information is based on the location of the assets.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets*	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
				(Restated)
Continuing operations				
The People's Republic of China	**9,646**	21,618	**—**	—
Hong Kong	**5,652**	4,741	**2,633**	3,432
Others	**400**	188	**—**	—
	15,698	26,547	**2,633**	3,432

* Non-current assets excluded those relating to discontinued operation, interests in joint ventures and financial instruments.

(e) Information about major customers

During the year ended 31 December 2013, included in revenue arising from artist management of approximately HK$15,667,000 (2012: HK$26,543,000) are revenue of approximately HK$3,362,000 and HK$1,866,000 (2012: nil) which arose from two largest customers of the Group respectively, contributed 10% or more of the Group's revenue for 2013 (2012: no external customers contributed to 10% or more of the Group's revenue under artist management segment).

6. TURNOVER

Turnover represents the net amount received and receivables from customers and services rendered.

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Artist management	**15,667**	26,543
Film production and distribution	**31**	4
	15,698	26,547

7. OTHER REVENUE AND OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**184**	80
Consultancy fee income	**252**	240
Gain on disposal of property, plant and equipment	**70**	—
Gain on extinguishment of convertible loan notes	**1,935**	—
Sundry income	**4**	122
	2,445	442

8. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Effective interest expenses on convertible loan notes	**563**	686

9. LOSS BEFORE TAX

Loss for the year from continuing operations has been arrived at after charging:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Auditor's remuneration	**570**	750
Consultancy fee	**—**	300
Depreciation of property, plant and equipment	**523**	391
Impairment loss recognised in respect of		
— film rights	**276**	—
— deposits to artists	**2,554**	—
Minimum lease payments under operating leases on land and buildings	**4,549**	3,443
Staff costs (excluding directors' remuneration)		
Salaries and allowance	**7,247**	6,384
Pension scheme contributions	**166**	114

10. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statement as the Group and the Company have no assessable profit derived from Hong Kong for the year.

At 31 December 2013, the Group had estimated unused tax losses of approximately HK$100,314,000 (2012: approximately HK$89,223,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

No deferred tax asset has been recognised due to the unpredictability of future profit streams.

11. DISCONTINUED OPERATION

On 29 June 2012, the Group disposed of its wholly owned subsidiary of Infrared Engineering and Consultants Limited ("Infrared"). Upon completion of the disposal, Infrared ceased to be subsidiary of the Company and the business of infrared consultancy services operation which is solely carried out by the Infrared, became a discontinued operation of the Group.

Loss for the year from discontinued operation

	2012
	HK$'000
Other revenue and other income	120
Administrative expenses	(252)
Finance costs	—
Loss before tax	(132)
Income tax expenses	—
Loss for the year	(132)
Loss on disposal of Infrared	(2,960)
	(3,092)

Loss for the year from discontinued operation included the following:

Depreciation of property, plant and equipment	33
Minimum lease payments under operating leases on land and buildings	144
Loss on disposal of Infrared	2,960

12. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares.

From continuing and discontinued operations

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$12,828,000 (2012: HK$15,100,000) and the weighted average of 505,650,000 ordinary shares (2012: 505,650,000 shares) is issued during the year.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan notes since their exercise would result in an anti-dilutive effect on loss per share for both years.

From continuing operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company	**(12,828)**	(15,100)
Less: Loss for the year from the discontinued operation	**—**	(3,092)
Loss for the year from continuing operations	**(12,828)**	(12,008)

From discontinued operation

For the year ended 31 December 2012, basic and diluted loss per share for the discontinued operation was HK$0.61 cents per share, based on the loss from the discontinued operation is approximately HK$3,092,000, and the denominators are the same as those detailed above for both basic and diluted loss per share. There is no discountinued operation during the year ended 31 December 2013.

13. TRADE RECEIVABLES

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates.

	2013	2012
	HK$'000	*HK$'000*
0 — 90 days	**50**	53
Impairment loss recognised	**—**	—
	50	53

The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers. The Group has no significant concentrations of credit risk, with exposure spreads over a large number of customers. The credit terms of trade receivables are generally on 10 to 180 days for both years.

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Deposits, net of impairment	**3,005**	9,900
Prepayments	**69**	31
Other receivables	**42**	32
	3,116	9,963

At 31 December 2013, deposits amounted to approximately HK$1,871,000 (2012: approximately HK$8,740,000 (restated)) represented the deposits paid for artist management and film production.

The directors of the Company consider that carrying amounts of deposits for artist management and film production, and other receivables are approximately their fair value.

Movements in impairment loss in respect of deposits to artist are as follows:

	2013	2012
	HK$'000	*HK$'000*
At 1 January	**5,440**	5,440
Impairment loss recognised in respect of deposits to artists	**2,554**	—
At 31 December	**7,994**	5,440

Included in the above impairment loss recognised in respect of deposit is provision for individually impaired receivables of HK$2,554,000 with a gross carrying amount approximately HK$7,994,000 (2012: HK$5,440,000). The impaired deposit are individually determined to be impaired after considering overdue ageing analysis and other qualitative factors.

15. TRADE PAYABLES

An aged analysis of the Group's trade payables at the end of the reporting period is as follow:

	2013	2012
	HK$'000	*HK$'000*
0 — 90 days	**—**	71

DIVIDEND

The directors of the Company did not recommend the payment of a dividend for the year ended 31 December 2013 (2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Artist Management

During the year under review, the revenue contributed by such segment was approximately HK$15,667,000 (2012: HK$26,543,000), representing a decrease of approximately 41.0% due to the tough business competition as compared with the year ended 31 December 2012.

The gross profit margin increased to approximately 30.3% (2012: 23.0%). The stable gross profit margin in such segment was in line with the management's expectation.

Pending Litigation

On 30 May 2011, China Star Management Limited, an indirect wholly-owned subsidiary of the Company, issued a Writ of Summons to claim against Tang's Workshop Limited ("Tang's Workshop") for the sum of HK$127,500, being the fees charged for the services rendered and material supplied to Tang's Workshop. At the date of this announcement, the litigation has yet to be settled.

Share of Results of Joint Ventures

The Group has applied the new accounting policy for interests in joint ventures occurring on or after 1 January 2013. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income.

China Star Film Group Limited ("China Star Film Group"), a joint venture, is principally engaged in film production and distribution. During the period under review, China Star Film Group did not have any additional film rights and the share of its losses approximately HK$322,000 was recorded (2012: loss of HK$17,000). China Star Film Group has two films in the preproduction phase. Due to the scheduling of the film casts and revision to the scripts, shooting of these two films has been delayed, and its completion date and the release date of the said films have not been determined.

In early August 2012, Eternity Investment Limited ("Eternity") (stock code: 764), a company listed on the Main Board of the Stock Exchange, became a substantial shareholder of the Company by acquiring an approximately 29% shareholding interest in the Company. Given that Eternity has engaged in film distribution business in the People's Republic of China ("PRC") since 2001, the acquisition of 29% equity interest in the Company by Eternity presents a good opportunity for the Group to form a strategic alliance with Eternity by leveraging its expertise, network and connections in the film distribution industry in the PRC.

Financial Review

For continuing operations, the revenue of the Group was approximately HK$15,698,000 for the year ended 31 December 2013 (2012: HK$26,547,000), and it was generated from the provision of artist management and film distribution, representing a decrease of 40.9% as compared with the year ended 31 December 2012.

Administrative expenses were mainly the legal and professional fees, staff costs, operating leases and other general administrative expenses of the Group incurred during the year under review.

Administrative expenses increased by 7.1% to approximately HK$19,139,000 from approximately HK$17,864,000 in prior year. Such increase was mainly attributed from the expenses on operating leases amounted to approximately HK$4,549,000 (2012: HK$3,443,000), the impairment loss on film rights and deposits to artists amounted to approximately HK$2,830,000 (2012: nil) and salaries and allowance amounted to approximately HK$7,247,000 (2012: HK$6,384,000) which was partly offset by the decrease in legal and professional fees amounted to approximately HK$691,000 (2012: HK$2,577,000).

The operating leases, as the rental expenses paid to shareholder, is a facility sharing agreement ("Agreement") dated 30 April 2012 entered into between Golden Island Catering Group Company Limited ("Golden Island"), a wholly-owned subsidiary of Culture Landmark Investment Limited ("Culture Landmark"), and our subsidiary. Pursuant to the Agreement, the aggregate annual fees payable for each of the two years ending 31 March 2014 will be subject to the cap amount of HK$4,800,000, being the maximum annual amount payable. Golden Island is a connected person of the Company and the Agreement constitutes a continuing connected transaction of the Company. For details of the continuing connected transaction, please refer to the announcement dated 30 April 2012.

During the year under review, finance costs were approximately HK$563,000 which was mainly derived from the effective interest expenses on the convertible loan notes (2012: HK$686,000).

During the year under review, loss for the year attributable to owners of the Company was approximately HK$12,828,000 (2012: loss for the year attributable to owners of the Company was approximately HK$15,100,000), which was mainly attributed from the administrative expenses amounted to approximately HK$19,139,000 (2012: HK$17,864,000), share of losses of joint ventures amounted to HK$322,000 (2012: HK$17,000) and was partly offset by the gain on extinguishment of convertible loan notes amounted to HK$1,935,000 (2012: nil).

Future Plans

We are still planning the future developmental strategies for the Group and studying the prevalent market trends. We will remain cautious of the Group's business outlook. However, regardless of the aforementioned, strengthening and developing the business of the Group are of almost importance so as to prepare ourselves for the upcoming challenges and opportunities. Meanwhile, we will continue to identify other appropriate investment opportunities to penetrate into other business sectors.

Liquidity and Financial Resources

At 31 December 2013, the Group had total assets of approximately HK$82,902,000 (2012: HK$95,632,000), including cash and cash equivalents of approximately HK$48,780,000 (2012: HK$53,533,000).

During the year under review, the Group financed its operation with internally generated cash flows.

Capital Structure

During the year under review, there was no change in the capital structure of the Company.

Gearing Ratio

The gearing ratio, expressed as percentage of total liabilities over total assets, was approximately 10.5% (2012: 13.5%).

Charge on the Group's Assets

At 31 December 2013, the Group did not have any charge on its assets.

Foreign Exchange Risk

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management closely monitors the exposures and will consider hedging the exposures should the need arise.

Commitments

At 31 December 2013, the Group had no commitments (2012: nil).

Contingent Liabilities

At 31 December 2013, the Group had no contingent liabilities (2012: nil).

Employees

At 31 December 2013, the Group had 21 employees. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performances, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme. Other benefits include share options granted or to be granted under the share option scheme.

Significant Investment

The Group did not hold any significant investment during the year ended 31 December 2013.

Continuing Connected Transaction

Golden Island, a wholly-owned subsidiary of Culture Landmark, as tenant entered into the tenancy agreement dated 30 March 2011 with China Resources Property Management Limited in respect of the lease of the premises ("Premises") which located at Rooms 2506-09, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong for a term of three years from 1 April 2011 to 31 March 2014.

On 30 April 2012, KH Investment Holdings Limited, a wholly-owned subsidiary of the Company, entered into the facility sharing agreement ("Agreement") with Golden Island in respect of sharing of the Premises and facilities thereof. Golden Island has also agreed to provide office supporting services, including the provision of receptionist and such other services as may be requested by the Group.

Golden Island is a wholly-owned subsidiary of Culture Landmark and Culture Landmark is the controlling shareholder of the Company indirectly holding approximately 74.95% of the issued share capital of the Company at 30 April 2012. Accordingly, Golden Island is a connected person of the Company and the Agreement constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As the annual cap fees under the Agreement for each of the two years ending 31 March 2014 is HK$4,800,000, where all applicable percentage ratios are less than 5% on an annual basis, the Agreement is subject to the reporting and announcement requirements under Rules 20.45 to 20.47, the annual review requirements set out in Rules 20.37 to 20.40 and other requirements set out in Rules 20.35(1) and 20.35(2) of the GEM Listing Rules, but is exempt from the circular and independent shareholders' approval requirements under Rules 20.49 to 20.54 of the GEM Listing Rules.

Golden Island has agreed to provide office space and facilities in proportion. The Premises will be used as offices by the Group. The Directors (including the independent non-executive Directors) are of the opinion that the Agreement was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the parties with reference to the prevailing market rates for comparable office buildings in Wan Chai; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Agreement.

For details of the continuing connected transaction, please refer to the announcement dated 30 April 2012.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

The Group did not make any material acquisitions and disposal of subsidiaries and affiliated companies for the year ended 31 December 2013.

Future Plan for Material Investments and Capital Assets

The Group does not have any concrete plan for material investments or capital assets for the coming year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At 31 December 2013, the interests and short positions of the Directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the associated corporation

Name of associated corporation	Name of director	Class of share held	Capacity	Number of shares held (approximate percentage of the issued shares at 31 December 2013)
Culture Landmark	Cheng Yang	Ordinary	Personal interest	89,300,000 (14.91%)
	Cheng Yang	Ordinary	Family interest	49,000 (0.01%)

Save as disclosed above, at 31 December 2013, none of the director, or chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO); or which were required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 6 March 2002. The Scheme expired on 5 March 2012 and the Company is considering the adoption of a new share option scheme when appropriate. There is no outstanding share options at 31 December 2013 and no share options had been granted during the year ended 31 December 2013.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes and employee award plan, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and chief executive of the Company 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 rights.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2013, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Long positions in ordinary shares of HK$0.01 each of the Company

Name of substantial shareholder	Capacity	Interest in shares	Interest in underlying shares	Total interest in shares	Approximate percentage of the Company's issued share capital
Culture Landmark	Interest of controlled corporation *(Note 1)*	232,366,016	12,731,006	245,097,022	48.47%
New Asia Media Development Limited ("New Asia Media")	Beneficial owner *(Note 1)*	232,366,016	12,731,006	245,097,022	48.47%
Eternity Investment Limited	Interest of controlled corporation *(Note 2)*	146,640,000	—	146,640,000	29.00%
Riche (BVI) Limited	Interest of controlled corporation *(Note 2)*	146,640,000	—	146,640,000	29.00%
Riche Advertising Limited	Beneficial owner *(Note 3)*	146,640,000	—	146,640,000	29.00%
Mr. Lo Yuk Sui ("Mr. Lo")	Interest of controlled corporation *(Note 4)*	35,247,161	—	35,247,161	6.97%
Secure Way Technology Limited ("Secure Way")	Interest of controlled corporation *(Note 4)*	35,247,161	—	35,247,161	6.97%
Net Community Limited ("Net Community")	Interest of controlled corporation *(Note 5)*	35,247,161	—	35,247,161	6.97%
Century Digital Holdings Limited ("Century Digital")	Interest of controlled corporation *(Note 6)*	35,247,161	—	35,247,161	6.97%

Name of substantial shareholder	Capacity	Interest in shares	Interest in underlying shares	Total interest in shares	Approximate percentage of the Company's issued share capital
Grand Modern Investments Limited ("Grand Modern")	Interest of controlled corporation *(Note 7)*	35,247,161	—	35,247,161	6.97%
Century City International Holdings Limited ("Century City International")	Interest of controlled corporation *(Note 8)*	35,247,161	—	35,247,161	6.97%
Century City BVI Holdings Limited ("Century City BVI")	Interest of controlled corporation *(Note 9)*	35,247,161	—	35,247,161	6.97%
Century City Holdings Limited ("Century City Holdings")	Interest of controlled corporation *(Note 10)*	35,247,161	—	35,247,161	6.97%
Aikford Financial Services Limited ("Aikford")	Beneficial owner *(Note 11)*	35,247,161	—	35,247,161	6.97%

Notes:

(1) New Asia Media, a company which is wholly and beneficially owned by Culture Landmark, a company listed on the Main Board of the Stock Exchange, is the beneficial owner of 232,366,016 shares of the Company and zero-coupon convertible loan notes due 24 September 2015 in the principal amount of HK$6,200,000 issued by the Company carrying the right to convert into a total of 12,731,006 shares of the Company at the prevailing conversion price of HK$0.487 per share (subject to adjustment). The Chairman and Chief Executive Officer of the Company, Mr. Cheng Yang, is also the chairman, chief executive officer and executive director of the Culture Landmark.

(2) Riche (BVI) Limited is wholly and beneficially owned by Eternity Investment Limited.

(3) Riche Advertising Limited is the beneficial owner of 146,640,000 shares of the Company and is wholly and beneficially owned by Riche (BVI) Limited.

(4) Secure Way is wholly and beneficially owned by Mr. Lo.

(5) Net Community is wholly and beneficially owned by Secure Way.

(6) Century Digital is wholly and beneficially owned by Net Community.

(7) Grand Modern is wholly and beneficially owned by Century Digital.

(8) Grand Modern owns 50.38% interest in Century City International, a company listed on the Main Board of the Stock Exchange.

(9) Century City BVI is wholly and beneficially owned by Century City International.

(10) Century City Holdings is wholly and beneficially owned by Century City BVI.

(11) Aikford is the beneficial owner of 35,247,161 shares of the Company and is wholly and beneficially owned by Century City Holdings.

Save as disclosed above, at 31 December 2013, the Company has not been notified by any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were to be recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

COMPETING INTERESTS

At 31 December 2013, none of the Directors, the substantial shareholders nor their respective associates had an interest in any business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

At the date of this announcement, the Company has maintained the prescribed public float under the GEM Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public.

The Company has complied with the code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules for the year ended 31 December 2013, with the exception of CG Code Provisions A.2.1 (separation of roles of chairman and chief executives), A.4.1 (specific terms of non-executive Directors) and A.6.7 (Directors attending general meetings).

a. Chairman and Chief Executive Officer

Under the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company have been performed by Mr. Cheng Yang, who is also an executive Director. The Board still considered that the non-segregation would not result in considerable concentration of power in one person and has the advantage of strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently. The Board will review the effectiveness of this arrangement from time to time and consider appointing an individual as the chief executive officer of the Company when it thinks appropriate.

b. Terms of non-executive Directors

Under the CG Code provision A.4.1, all non-executive Directors should be appointed for a specific term, subject to re-election. The term of office for non-executive Directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the Directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of this Code provision.

c. Non-executive Directors attending general meeting

Under the Code provision A.6.7 of CG Code, non-executive Directors should attend general meetings. Mr. Law Yiu Sang Jacky, being the independent non-executive Director, was unable to attend the general meetings of the Company held on 16 May 2013 and 23 October 2013 due to other business commitment.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2013, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company's Directors confirmed they have complied with the required standards of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive directors to be independent.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's reports and financial statements and to provide advice and comment thereon to the board of Directors. The audit committee will also be responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

At 31 December 2013, the audit committee has three members, namely Mr. Yip Tai Him (chairman of the audit committee), Mr. Law Yiu Sang, Jacky and Mr. Fung Wai Ching, all being independent non-executive Directors. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. During the year, the audit committee held four meetings to review the Group's annual report, interim report and quarterly reports.

The audit committee has reviewed the annual results of the Company for the year ended 31 December 2013 before proposing to the Board for approval.

By Order of the Board
China Media and Films Holdings Limited
Cheng Yang
Chairman

Hong Kong, 25 March 2014

As at the date of this announcement, the Board comprises Mr. Cheng Yang (Chairman and Chief Executive Officer), Mr. Leung Wai Man and Ms. Jiang Di as executive Directors; and Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Mr. Fung Wai Ching as independent non-executive Directors.

This announcement will be published on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of publication and on the Company's website at www.cmfhl.com