

FUNG CHOI MEDIA GROUP LIMITED
MATERIAL ADJUSTMENTS TO PRELIMINARY RESULTS ANNOUNCEMENT

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	(Audited) FY2014 HK\$'000	(Unaudited) FY2014 HK\$'000	Variance HK\$'000
Turnover	6,423,038	6,423,038	-
Cost of sales	(5,948,416)	(5,948,416)	-
Gross profit	474,622	474,622	-
Other operating income	25,495	25,495	-
Selling expenses	(106,506)	(106,506)	-
Administrative expenses	(154,546)	(154,546)	-
Other operating expenses	(35,951)	(35,951)	-
Profit from operations	203,114	203,114	-
Finance costs	(73,543)	(68,887)	4,656
Share of results of associate	(1,267)	(1,267)	-
Share of results of joint ventures	10,861	10,861	-
Profit before taxation	139,165	143,821	4,656
Income tax	(57,045)	(57,045)	-
Profit for the year	82,120	86,776	4,656
Attributable to:			
Equity shareholders of the company	74,561	79,217	4,656
Non-controlling interests	7,559	7,559	-
Profit for the year	82,120	86,776	4,656
Earnings per share			
Basic and diluted	10.3	10.9	
Profit for the year	82,120	86,776	4,656
Other comprehensive income for the year:			
Items that may be classified subsequently to profit or loss:			
-exchange differences on translation of financial statements of subsidiaries, associate and joint ventures (with nil tax effect)	9,438	9,438	-
Reclassification adjustments of:			
-currency translation reserve realised on deregistration of subsidiary	2,137	2,137	-
-currency translation reserve realised on disposal of subsidiary	99	99	-
Total comprehensive income for the year	93,794	98,450	4,656
Attributable to:			
Equity shareholders of the company	83,349	88,005	4,656
Non-controlling interests	10,445	10,445	-
Total comprehensive income for the year	93,794	98,450	4,656

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Audited) FY2014 HK\$'000	(Unaudited) FY2014 HK\$'000	Variance HK\$'000
Non-current assets			
Property, plant and equipment	636,186	636,186	-
Lease prepayments	40,264	40,264	-
Intangible assets	29,508	29,508	-
Interest in associate	1,687	1,687	-
Interests in joint ventures	61,051	61,051	-
Other receivables and prepayments	185,040	185,040	-
Deferred tax assets	24,567	24,567	-
Total non-current assets	<u>978,303</u>	<u>978,303</u>	-
Current assets			
Inventories	178,652	178,652	-
Trade and bills receivables	3,548,388	3,548,388	-
Other receivables, prepayments and deposits	191,864	196,520	(4,656)
Amounts due from related parties	3,583	3,583	-
Pledged bank deposits	149,189	149,189	-
Deposits with bank	38,372	38,372	-
Cash and cash equivalents	200,924	200,924	-
Total current assets	<u>4,310,972</u>	<u>4,315,628</u>	(4,656)
Current liabilities			
Trade and other payables	1,897,285	1,897,285	-
Interest-bearing loans and borrowing	594,152	594,152	-
Obligation under finance leases	896	896	-
Bond	282,721	282,721	-
Current taxation	164,648	164,648	-
Total current liabilities	<u>2,939,702</u>	<u>2,939,702</u>	-
Net current assets	<u>1,371,270</u>	<u>1,375,926</u>	(4,656)
Total assets less current liabilities	<u>2,349,573</u>	<u>2,354,229</u>	(4,656)
Non-current liabilities			
Obligation under finance leases	828	828	-
Bond	-	-	-
Total non-current liabilities	<u>828</u>	<u>828</u>	-
NET ASSETS	<u>2,348,745</u>	<u>2,353,401</u>	(4,656)
Capital and reserves			
Share capital	181,285	181,285	-
Reserves	1,889,756	1,894,412	4,656
Total equity attributable to equity shareholders of the company	<u>2,071,041</u>	<u>2,075,697</u>	4,656
Non-controlling interests	277,704	277,704	-
TOTAL EQUITY	<u>2,348,745</u>	<u>2,353,401</u>	4,656

CONSOLIDATED CASH FLOW STATEMENT

	(Audited) FY2014 HK\$'000	(Unaudited) FY2014 HK\$'000	Variance HK\$'000
Profit before taxation	139,165	143,821	(4,656)
Adjustments for:			
Depreciation of property, plant and equipment	75,755	75,755	-
Amortisation of lease prepayments	986	986	-
Finance costs	73,543	68,887	4,656
Interest income	(8,113)	(8,113)	-
Amortisation of intangible assets	12,374	12,374	-
Loss on disposal of property, plant and equipment	254	254	-
Gain on disposal of intangible assets	-	-	-
Gain on disposal of subsidiaries	(627)	(627)	-
Loss on deregistration of subsidiaries	2,137	2,137	-
Share of results of associate	1,267	1,267	-
Share of results of joint ventures	(10,861)	(10,861)	-
Foreign exchange loss	1,454	1,454	-
Operating profit before changes in working capital	287,334	287,334	-
Decrease in inventories	56,985	56,985	-
Increase in trade and bills receivables	(1,137,947)	(1,137,947)	-
Decrease in other receivables, prepayments and deposits	27,590	22,934	4,656
Increase in trade and other payables	456,728	456,728	-
Cash used in operations	(309,310)	(313,966)	4,656
People's Republic of China ("PRC") enterprise income tax paid	(44,742)	(44,742)	-
Hong Kong Profits Tax paid	(2,315)	(2,315)	-
Net cash used in operating activities	(356,367)	(361,023)	4,656
Investing activities			
Interest received	8,113	8,113	-
Payment for purchase of property, plant and equipment	(41,628)	(41,628)	-
Proceeds from disposal of property, plant and equipment	150	150	-
Proceeds from disposal of other investment	-	-	-
Net cash proceeds from disposal of subsidiaries	2,051	2,051	-
Increase in amounts due from related parties	(2,849)	(2,849)	-
Decrease in non-current portion of prepayments and other receivables	8,822	8,822	-
Increase in pledged bank deposits	164,790	164,790	-
Decrease in deposits with bank	87,292	87,292	-
Net cash generated from investing activities	226,741	226,741	-

CONSOLIDATED CASH FLOW STATEMENT **(CONTINUED)**

	(Audited) FY2014 HK\$'000	(Unaudited) FY2014 HK\$'000	Variance HK\$'000
Financing activities			
Interest paid	(62,702)	(62,702)	-
Capital contributed by non-controlling interests	2,711	2,711	-
Waiver fee paid	(4,656)	-	(4,656)
Proceeds from new bank loans and other borrowings	783,816	783,816	-
Repayment of bank loans and other borrowings	(596,869)	(596,869)	-
Interest element of finance lease rentals paid	(248)	(248)	-
Capital element of finance lease rentals paid	(800)	(800)	-
Dividends paid to equity shareholders of the company	-	-	-
Dividends paid to non-controlling shareholders	(63)	(63)	-
Net cash generated from financing activities	121,189	125,845	(4,656)
Net decrease in cash and cash equivalents	(8,437)	(8,437)	-
Cash and cash equivalents at beginning of the year	208,512	208,512	-
Effect of foreign exchange rate changes	849	849	-
Cash and cash equivalents at end of the year	(200,924)	(200,924)	-