美亞娛樂資訊集團有限公司
MEI AH ENTERTAINMENT GROUP LTD.

(Incorporated in Bermuda with limited liability)
(Stock code: 391)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2014

CONSOLIDATED INCOME STATEMENT
For the year ended 31st March 2014

		Year ended 31st March	
		2014	2013
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**144,817**	555,777
Cost of sales	*4*	**(82,634)**	(486,487)
Gross profit		**62,183**	69,290
Other income	*2*	**13,821**	17,174
Other (losses)/gains — net	*3*	**(2,570)**	37,066
Selling, distribution and marketing expenses	*4*	**(9,616)**	(85,416)
Administrative expenses	*4*	**(87,629)**	(83,648)
Operating loss		**(23,811)**	(45,534)
Finance income	*5*	**817**	696
Finance costs	*5*	**(891)**	(751)
Finance costs — net		**(74)**	(55)
Share of loss of associates		**(401)**	(598)
Loss before income tax		**(24,286)**	(46,187)
Income tax expense	*6*	**(879)**	(2,889)
Loss for the year		**(25,165)**	(49,076)
Loss attributable to:			
Owners of the Company		**(23,896)**	(48,735)
Non-controlling interests		**(1,269)**	(341)
		(25,165)	(49,076)
		HK cents	*HK cents*
Loss per share attributable to owners of the Company during the year			
Basic loss per share	*7*	**(0.42)**	(0.87)
Diluted loss per share	*7*	**(0.42)**	(0.87)
		HK$'000	*HK$'000*
Dividends	*8*	**—**	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2014

	Year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(25,165)**	(49,076)
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss		
Surplus on revaluation of buildings	**15,122**	10,847
Deferred taxation arising from revaluation surplus of buildings	**(2,457)**	(1,634)
Fair value losses on available-for-sale financial assets	**(6,117)**	(470)
Release of available-for-sale financial assets revaluation reserve upon disposal of available-for-sale financial assets	**—**	(2,506)
Impairment loss on available-for-sale financial assets	**107**	—
Currency translation differences	**271**	267
Other comprehensive income for the year, net of tax	**6,926**	6,504
Total comprehensive loss for the year	**(18,239)**	(42,572)
Total comprehensive loss attributable to:		
Owners of the Company	**(16,976)**	(42,360)
Non-controlling interests	**(1,263)**	(212)
Total comprehensive loss for the year	**(18,239)**	(42,572)

CONSOLIDATED BALANCE SHEET

As at 31st March 2014

		As at 31st March	
		2014	2013
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		**28,871**	29,660
Property, plant and equipment		**224,411**	181,643
Intangible assets		**201**	403
Investment properties		**215,994**	223,501
Interests in associates		**1,890**	773
Interest in a joint venture		**—**	—
Available-for-sale financial assets		**3,029**	9,146
Film rights, films in progress and film royalty deposits		**71,545**	46,697
Other receivables and deposits	*9*	**6,270**	11,562
		552,211	503,385
Current assets			
Inventories		**82**	684
Trade and other receivables	*9*	**16,159**	38,022
Amounts due from associates		**7,064**	12,397
Financial assets at fair value through profit or loss		**35,833**	32,722
Pledged bank deposits		**23,500**	23,500
Cash and cash equivalents		**74,259**	100,363
		156,897	207,688
Total assets		**709,108**	711,073
EQUITY			
Equity attributable to owners of the Company			
Share capital		**112,661**	112,661
Share premium		**126,733**	126,733
Reserves		**310,377**	327,353
Shareholders' funds		**549,771**	566,747
Non-controlling interests		**7,493**	8,756
Total equity		**557,264**	575,503

		As at 31st March	
		2014	2013
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*11*	**11,947**	—
Deferred income tax liabilities		**20,751**	17,862
		32,698	17,862
Current liabilities			
Trade and other payables	*10*	**67,196**	72,817
Receipts in advance		**20,254**	24,090
Borrowings	*11*	**20,235**	9,048
Current income tax liabilities		**11,461**	11,753
		119,146	117,708
Total liabilities		**151,844**	135,570
Total equity and liabilities		**709,108**	711,073
Net current assets		**37,751**	89,980
Total assets less current liabilities		**589,962**	593,365

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2014

	Attributable to owners of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Share redemption reserve *HK$'000*	Contributed surplus *HK$'000*	Exchange difference *HK$'000*	Buildings revaluation reserve *HK$'000*	Available-for-sale financial assets revaluation reserve *HK$'000*	Retained earnings *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1st April 2012	112,661	126,733	12	189,009	1,889	41,187	10,519	127,097	6,170	615,277
Comprehensive loss										
Loss for the year	—	—	—	—	—	—	—	(48,735)	(341)	(49,076)
Other comprehensive income/(loss)							—			
Surplus on revaluation of buildings	—	—	—	—	—	10,847	—	—	—	10,847
Deferred taxation arising from revaluation surplus of buildings	—	—	—	—	—	(1,634)	—	—	—	(1,634)
Fair value losses on available-for-sale financial assets	—	—	—	—	—	—	(470)	—	—	(470)
Release of available-for-sale financial assets revaluation reserve upon disposal of available-for-sale financial assets	—	—	—	—	—	—	(2,506)	—	—	(2,506)
Currency translation differences										
— Group	—	—	—	—	65	—	—	—	129	194
— Associates	—	—	—	—	73	—	—	—	—	73
Total other comprehensive income/(loss)	—	—	—	—	138	9,213	(2,976)	—	129	6,504
Total comprehensive income/(loss)	—	—	—	—	138	9,213	(2,976)	(48,735)	(212)	(42,572)
Transactions with owners										
Non-controlling interest arising on business combination	—	—	—	—	—	—	—	—	110	110
Capital injection from non-controlling interests	—	—	—	—	—	—	—	—	2,688	2,688
Total transactions with owners	—	—	—	—	—	—	—	—	2,798	2,798
Balance at 31st March 2013	112,661	126,733	12	189,009	2,027	50,400	7,543	78,362	8,756	575,503

	Attributable to owners of the Company									
	Share capital *HK$'000*	Share premium *HK$'000*	Share redemption reserve *HK$'000*	Contributed surplus *HK$'000*	Exchange difference *HK$'000*	Buildings revaluation reserve *HK$'000*	Available-for-sale financial assets revaluation reserve *HK$'000*	Retained earnings *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1st April 2013	**112,661**	**126,733**	**12**	**189,009**	**2,027**	**50,400**	**7,543**	**78,362**	**8,756**	**575,503**
Comprehensive loss										
Loss for the year	—	—	—	—	—	—	—	(23,896)	(1,269)	(25,165)
Other comprehensive income/(loss)										
Surplus on revaluation of buildings	—	—	—	—	—	15,122	—	—	—	15,122
Deferred taxation arising from revaluation surplus of buildings	—	—	—	—	—	(2,457)	—	—	—	(2,457)
Fair value losses on available-for-sale financial assets	—	—	—	—	—	—	(6,117)	—	—	(6,117)
Impairment loss on available-for-sale financial assets	—	—	—	—	—	—	107	—	—	107
Currency translation differences										
— Group	—	—	—	—	304	—	—	—	6	310
— Associates	—	—	—	—	(39)	—	—	—	—	(39)
Total other comprehensive income/(loss)	—	—	—	—	265	12,665	(6,010)	—	6	6,926
Total comprehensive income/(loss)	—	—	—	—	265	12,665	(6,010)	(23,896)	(1,263)	(18,239)
Balance at 31st March 2014	112,661	126,733	12	189,009	2,292	63,065	1,533	54,466	7,493	557,264

Notes:

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS 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.

(a) New and amended standards adopted by the Group

The following new and revised standards and amendments to standards which are mandatory for accounting periods beginning on 1st April 2013 but do not have a material impact on the Group:

HKAS 1 (Amendment)	Financial statements presentation regarding other comprehensive income
HKFRSs 10, 11 and 12 (Amendments)	Transition guidance
HKAS 19 (Amendment)	Employee benefits
HKAS 27 (revised 2011)	Separate Financial Statements
HKAS 28 (revised 2011)	Associates and joint ventures
HKFRS 1 (Amendment)	First time adoption on government loans
HKFRS 7 (Amendment)	Financial instruments: Disclosures on asset and liability offsetting
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual improvements project	Annual Improvements 2011

(b) ***New standards, amendments to standards and interpretations that have been issued but were not yet effective***

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1st April 2013 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKAS 32 (Amendment)	Financial instruments: Presentation on asset and liability offsetting	1st January 2014
HKAS 36 (Amendment)	Impairment of assets — Recoverable amount disclosures	1st January 2014
HKAS 39 (Amendment)	Financial instruments: Recognition and Measurement – Novation of derivatives	1st January 2014
HKFRS10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Consolidation for investment entities	1st January 2014
HK(IFRIC) — Int 21	Levies	1st January 2014
Amendment to HKAS 19 (revised 2011)	Defined Benefit Plans: Employee Contributions	1st July 2014
Annual improvements 2012	Annual Improvements 2010-2012 Cycle	1st July 2014
Annual improvements 2013	Annual Improvements 2011-2013 Cycle	1st July 2014
HKFRS 14	Regulatory Deferral Accounts	1st January 2016
HKFRS 9	Financial Instruments	1st January 2015

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. The Group is in the process of assessing the impact but is not yet in a position to state whether these would have a material impact on its results of operations and financial position.

2. **Revenue and segment information**

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Television operations	**50,503**	55,879
Film exhibition and film rights licensing and sub-licensing	**72,958**	460,215
Sales and distribution of films and programs in audio visual product format	**5,213**	17,174
Artiste management	**2,336**	14,206
Theatre operations	**13,807**	8,303
	144,817	555,777
Other income		
Rental income from investment properties	**7,045**	6,577
Other rental income	**—**	3,000
Management fee income	**1,437**	1,431
Dividend income	**1,120**	1,142
Others	**4,219**	5,024
	13,821	17,174
	158,638	572,951

The chief operating decision maker has been identified as the Executive Directors of the Group. The Executive Directors review the Group's internal reporting in order to assess performance, allocate resources and make strategic decisions. The Executive Directors have determined the operating segments based on the Group's internal reporting.

For the year ended 31st March 2014, the Group operates in seven business segments:

— Television operations

— Film exhibition and film rights licensing and sub-licensing

— Sales and distribution of films and programs in audio visual product format

— Artiste management

— Theatre operations

— Property investment

— Video online

The segment information for the year ended 31st March 2014 by each principal activity is as follows:

	Year ended 31st March 2014								
	Television operations *HK$'000*	Film exhibition and film rights licensing and sub-licensing *HK$'000*	Sales and distribution of films and programs in audio visual product format *HK$'000*	Artiste management *HK$'000*	Theatre operations *HK$'000*	Property investment *HK$'000* *(note (b))*	Video online *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
External sales	50,503	72,958	5,213	2,336	13,807	—	—	—	144,817
Inter-segment sales	—	498	—	—	—	—	—	(498)	—
Segment revenue	50,503	73,456	5,213	2,336	13,807	—	—	(498)	144,817
Reportable segment profit/(loss)	13,976	(1,385)	(4,957)	699	(18,231)	(3,890)	(9,151)	—	(22,939)
Reportable segment assets	26,977	120,623	25,089	5,820	50,580	217,771	2,602	(191)	449,271
Reportable segment liabilities	(22,479)	(44,227)	(4,599)	(1,778)	(15,199)	(23,033)	(6,317)	—	(117,632)
Depreciation of property, plant and equipment and amortisation of leasehold land and land use rights	(207)	(763)	(612)	—	(8,155)	—	(548)	—	(10,285)
Amortisation of intangible assets	—	—	—	—	—	—	(202)	—	(202)
Amortisation of film rights	(7,620)	(27,998)	(3,451)	—	—	—	(753)	745	(39,077)
Provision for impairment of film rights and films in progress	—	(4,063)	(1,629)	—	—	—	(658)	87	(6,263)
Provision for trade receivables	—	—	(789)	—	—	—	—	—	(789)
Additions to property, plant and equipment	63	155	17	—	18,315	70	172	—	18,792
Additions to film rights, films in progress and film royalty deposits	13,424	53,133	2,830	—	—	—	1,411	(498)	70,300

The segment information for the year ended 31st March 2013 by each principal activity is as follows:

	Year ended 31st March 2013								
	Television operations *HK$'000*	Film exhibition and film rights licensing and sub-licensing *HK$'000*	Sales and distribution of films and programs in audio visual product format *HK$'000*	Artiste management *HK$'000*	Theatre operations *HK$'000*	Property investment *HK$'000* *(note (b))*	Video online *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
External sales	55,879	460,215	17,174	14,206	8,303	—	—	—	555,777
Inter-segment sales	—	3,275	—	—	—	—	—	(3,275)	—
Segment revenue	55,879	463,490	17,174	14,206	8,303	—	—	(3,275)	555,777
Reportable segment (loss)/profit	(8,120)	(42,820)	(4,709)	9,918	(8,753)	47,768	(25,195)	—	(31,911)
Reportable segment assets	25,890	156,939	30,864	2,120	26,216	224,761	2,941	(525)	469,206
Reportable segment liabilities	(29,425)	(54,356)	(5,218)	(724)	(6,476)	(20,351)	(8,219)	—	(124,769)
Depreciation of property, plant and equipment and amortisation of leasehold land and land use rights	(295)	(787)	(628)	—	(4,419)	—	(327)	—	(6,456)
Amortisation of intangible assets	—	—	—	—	—	—	(202)	—	(202)
Amortisation of film rights	(17,503)	(137,751)	(1,568)	—	—	—	(555)	3,347	(154,030)
Provision for impairment of film rights and films in progress	(17,147)	(38,828)	(606)	—	—	—	(2,526)	452	(58,655)
Additions to intangible assets	—	—	—	—	—	—	605	—	605
Additions to property, plant and equipment	82	16,142	—	—	1,708	2	2,442	—	20,376
Additions to film rights, films in progress and film royalty deposits	14,023	26,032	1,489	—	—	—	3,082	(3,275)	41,351

(a) The accounting policies of the reportable segments are the same as the Group's accounting policies. Performance is measured based on segment profit/(loss) that is used by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Income tax expense is not allocated to reportable segments. Information provided to the Executive Directors of the Group is measured in a manner consistent with that of the consolidated financial statements.

The revenue, profit or loss, assets and liabilities of the Group are allocated based on the operations of the segments.

Reportable segment loss is loss before income tax, excluding unallocated share of loss of associates, provision for impairment of amounts due from associates, other income, other gains/(losses) — net, finance costs — net, depreciation of property, plant and equipment and amortisation of leasehold land and land use rights that are used by all segments and other corporate expenses (mainly including staff costs and other general administrative expenses) of the head office.

Reportable segment assets exclude unallocated interests in and amounts due from associates, available-for-sale financial assets, financial assets at fair value through profit or loss, cash and cash equivalents and other corporate assets (mainly including property, plant and equipment and leasehold land and land use rights that are used by all segments).

Reportable segment liabilities exclude unallocated bank borrowings and other corporate liabilities (mainly including accrued charges of the head office).

(b) The revenue attributable to the segment "property investment" has been included in other income.

(c) Reconciliation of the reportable segment profit or loss, assets and liabilities

Reportable segment profit or loss, assets and liabilities are reconciled to loss before income tax and total assets and total liabilities of the Group as follows:

Inter-segment sales are charged at cost plus a percentage of profit mark-up.

Profit or loss

	2014	2013
	HK$'000	*HK$'000*
Reportable segment loss	**(22,939)**	(31,911)
Unallocated amounts:		
Unallocated other income	**2,477**	4,142
Unallocated other gains/(losses) — net	**4,958**	(5,085)
Unallocated finance costs — net	**(891)**	(11)
Unallocated depreciation of property, plant and equipment and amortisation of leasehold land and land use rights	**(5,379)**	(7,422)
Share of loss of associates	**(401)**	(598)
Provision for impairment of amounts due from associates	**—**	(3,191)
Unallocated corporate expenses	**(2,111)**	(2,111)
Loss before income tax per consolidated income statement	**(24,286)**	(46,187)

Assets

	2014 *HK$'000*	2013 *HK$'000*
Reportable segment assets	**449,271**	469,206
Unallocated assets:		
Unallocated property, plant and equipment and leasehold land and land use rights	**204,274**	169,403
Unallocated available-for-sale financial assets	**3,029**	9,146
Unallocated financial assets at fair value through profit or loss	**35,833**	32,722
Unallocated cash and cash equivalents	**75**	3,790
Unallocated interests in and amounts due from associates	**8,954**	13,170
Unallocated corporate assets	**7,672**	13,636
Total assets per consolidated balance sheet	**709,108**	711,073

Liabilities

	2014 *HK$'000*	2013 *HK$'000*
Reportable segment liabilities	**117,632**	124,769
Unallocated liabilities:		
Unallocated bank borrowings	**32,182**	9,048
Unallocated corporate liabilities	**2,030**	1,753
Total liabilities per consolidated balance sheet	**151,844**	135,570

The Group is principally domiciled in Hong Kong, the People's Republic of China (the "PRC") and the Republic of China ("Taiwan"). The result of its revenue from external customers and non-current assets other than interests in associates and financial instruments located in Hong Kong and other countries are summarised below:

	Revenue from external customers	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**44,193**	65,974
PRC	**55,270**	430,234
Taiwan	**14,273**	11,165
Singapore	**11,030**	19,822
Other countries	**20,051**	28,582
	144,817	555,777

During the year ended 31st March 2014, revenues of approximately HK$20,277,000 and HK$17,481,000 were derived from two single external customers attributable to the film exhibition and film rights licensing and sub-licensing segment and television operations segment respectively.

During the year ended 31st March 2013, there was no single external customer which revenues exceed 10% of the Group's revenue.

	Non-current assets (other than interests in associates and financial assets)	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**323,870**	303,402
PRC	**172,533**	161,105
Taiwan	**23,313**	6,192
Other countries	**21,306**	17,341
	541,022	488,040

3. Other (losses)/gains — net

	2014	2013
	HK$'000	*HK$'000*
(Loss)/surplus on revaluation of investment properties	**(7,528)**	42,151
Reversal of impairment loss on available-for-sale financial assets	**625**	—
Gain on disposal of available-for-sale financial assets	**166**	2,506
Impairment loss on available-for-sale financial assets	**(107)**	—
Fair value gain/(loss) on financial assets at fair value through profit or loss	**4,274**	(7,591)
	(2,570)	37,066

4. Expenses by nature

Expenses included in cost of sales, selling, distribution and marketing expenses, and administrative expenses are analysed as follows:

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories	**1,873**	3,201
(Reversal of)/provision for obsolescence of inventories	**(356)**	566
Amortisation of leasehold land and land use rights	**789**	789
Depreciation		
— owned property, plant and equipment	**14,875**	12,674
— leased property, plant and equipment	**—**	415
Loss on disposal of property, plant and equipment	**1,013**	—
Amortisation of film rights	**39,077**	154,030
Amortisation of intangible assets	**202**	202
Provision for impairment of film rights and films in progress	**6,263**	58,655
Write-off of other receivables	**—**	2,863
Provisions for trade receivables	**789**	—
Provision for impairment of amounts due from associates	**—**	3,191
Auditor's remuneration		
— current year	**1,523**	1,587
— under-provision in prior years	**97**	100
Direct operating expenses arising from investment properties that generate rental income	**1,354**	1,322
Distribution commission expenses	**843**	15,496
Employee benefit expenses (including directors' emoluments)	**39,395**	38,700
Exchange loss/(gain)	**52**	(620)
Marketing and promotion expenses	**6,635**	58,770
Operating lease rental in respect of buildings	**10,492**	4,200
Production and origination costs	**10,920**	10,508
Theatre circuits' sharing	**11,935**	225,773

5. Finance costs — net

	2014	2013
	HK$'000	*HK$'000*
Finance income		
— Interest income on short-term bank deposits	**408**	227
— Interest income on loans to third parties	**409**	469
	817	696
Finance costs		
— Interest on loans and overdrafts	**(891)**	(737)
— Interest element of finance leases	**—**	(14)
	(891)	(751)
Finance costs — net	**(74)**	(55)

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year. Taiwan corporate income tax has been provided at the rate of 17% (2013: 17%) on the estimated assessable profit for the year. Taxation on other countries' profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**68**	398
— Taiwan corporate income tax	**302**	—
— Under/(over)-provision in prior years	**47**	(12)
Total current tax	**417**	386
Deferred income tax	**462**	2,503
Income tax expense	**879**	2,889

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong taxation rate, as follows:

	2014	2013
	HK$'000	*HK$'000*
Loss before income tax	**(24,286)**	(46,187)
Tax calculated at a rate of 16.5% (2013: 16.5%)	**(4,007)**	(7,621)
Effect of different taxation rates in other countries	**(2,450)**	(1,519)
Income not subject to tax	**(1,764)**	(5,994)
Expenses not deductible for tax purposes	**2,637**	2,843
Tax losses for which no deferred income tax assets was recognised	**7,634**	15,773
Utilisation of previously unrecognised tax losses	**(1,286)**	(682)
Associates' results reported net of tax	**68**	101
Under/(over)-provision in prior years	**47**	(12)
Tax charge	**879**	2,889

7. Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company of HK$23,896,000 (2013: HK$48,735,000) by the weighted average number of ordinary shares of 5,633,035,000 (2013: 5,633,035,000) in issue during the year.

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31st March 2014, the diluted loss per share was the same as the basic loss per share as there were no outstanding potential ordinary shares during the year (2013: same).

8. Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31st March 2014 (2013: nil).

9. Trade and other receivables

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**29,927**	51,984
Less: provision for impairment of trade receivables	**(23,385)**	(22,596)
Trade receivables — net	**6,542**	29,388
Prepayments	**698**	2,995
Other receivables and deposits	**15,189**	17,201
	22,429	49,584
Less: Other receivables and deposits — non current portion	**(6,270)**	(5,426)
Deposit for acquisition of land and building — non current portion	**—**	(6,136)
Current portion	**16,159**	38,022

The carrying amounts of the Group's trade and other receivables approximate to their fair values due to their short maturities or carry at floating interest rates (2013: same).

At 31st March 2014, trade and other receivables are unsecured and interest-free, except for an other receivable of HK$5,425,000 (2013: HK$5,694,000) which is interest bearing at Hong Kong prime rate plus 2% per annum (2013: same) and secured by (i) first legal charge over a property in Hong Kong with fair value of approximately HK$13,063,000 (2013: HK$13,477,000); and (ii) a separate all moneys guarantee and indemnity executed by a third party individual (2013: same), of which HK$5,138,000 (2013: HK$5,426,000) is not repayable within the next twelve months as at the balance sheet date.

The Group's credit terms to trade receivables generally range from 7 to 90 days (2013: same).

The ageing analysis of trade receivables is as follows:

	2014	2013
	HK$'000	*HK$'000*
Current to 3 months	**6,617**	4,577
4 to 6 months	**—**	1,290
Over 6 months	**23,310**	46,117
	29,927	51,984

At 31st March 2014, trade receivables of HK$2,127,000 (2013: HK$27,554,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2014	2013
	HK$'000	*HK$'000*
Up to 3 months	**2,127**	2,743
Over 3 months	**—**	24,811
	2,127	27,554

At 31st March 2014, trade receivables of HK$23,385,000 (2013: HK$22,596,000) were impaired and fully provided for. The individually impaired receivables mainly relate to a long-outstanding customer, which is in unexpectedly difficult financial situation.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong dollar ("HK$")	**10,505**	15,462
Renminbi ("RMB")	**9,061**	30,463
New Taiwan dollar ("NTD")	**2,863**	3,659
	22,429	49,584

Movements on the Group's provision for impairment of trade receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1st April 2013 and 2012	**22,596**	22,596
Provision for impairment of receivables	**789**	—
At 31st March 2014 and 2013	**23,385**	22,596

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

10. Trade and other payables

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**3,631**	4,157
Other payables and accruals	**63,565**	68,660
	67,196	72,817

The ageing analysis of trade payables is as follows:

	2014	*2013*
	HK$'000	*HK$'000*
Current to 3 months	**1,790**	2,149
4 to 6 months	**496**	78
Over 6 months	**1,345**	1,930
	3,631	4,157

The carrying amounts of the Group's and the Company's trade and other payables approximate their fair values, and are denominated in the following currencies:

	2014	2013
	HK$'000	*HK$'000*
HK$	**19,649**	23,778
RMB	**46,991**	47,720
United States dollar ("USD")	**527**	1,240
NTD	**29**	79
	67,196	72,817

11. Borrowings

	2014	2013
	HK$'000	*HK$'000*
Bank overdrafts, secured	**1,893**	48
Secured bank loans — current portion	**18,342**	9,000
Bank borrowings — current portion	**20,235**	9,048
Secured bank loans — non-current portion	**11,947**	—
Total borrowings	**32,182**	9,048

The Group's borrowings are repayable as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**20,235**	9,048
Between 1 to 2 years	**1,486**	—
Between 2 to 5 years	**4,304**	—
Later than 5 years	**6,157**	—
	32,182	9,048

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2014	2013
	HK$'000	*HK$'000*
HK$	**18,893**	9,048
NTD	**13,289**	—
	32,182	9,048

At 31st March 2014, banking facilities amounting to HK$79,995,000 (2013: HK$65,500,000) granted by banks to the Group are secured by the following:

(i) legal charges over certain of the Group's a freehold land and certain buildings with carrying value of HK$22,283,000 (2013: HK$125,419,000) and certain investment properties with carrying value of HK$63,634,000 (2013: HK$65,521,000);

(ii) corporate guarantees executed by the Company;

(iii) pledged bank deposits of HK$23,500,000 (2013: HK$23,500,000) of the Group.

(iv) financial assets at fair value through profit or loss of HK$13,876,000 (2013: HK$14,958,000) of the Group.

At 31st March 2014, the Group's bank borrowings bear floating interest rates of Hong Kong Inter-bank Offered Rate ("HIBOR") plus 0.25% p.a. to 2.5% p.a., five-year benchmark interest rate for Renminbi-denominated loans by The People's Bank of China ("PBC") and fixed interest rate of 2.1% for New Taiwan dollar-denominated loans. The weighted average effective interest rate per annum of the Group's bank borrowings as at 31st March 2014 is 2.33%.

At 31st March 2013, the Group's bank borrowings bear floating interest rates of HIBOR plus 0.25% p.a. to 2.5% p.a. and five-year benchmark interest rate for Renminbi-denominated loans by PBC. The weighted average effective interest rate per annum of the Group's bank borrowings as at 31st March 2013 is 2.95%.

The fair values of the borrowings approximate their carrying amounts at 31st March 2014 and 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

RESULTS AND DIVIDENDS

The loss attributable to owners of Mei Ah Entertainment Group Limited (the "Company") for the year is HK$23,896,000 (2013: HK$48,735,000) and the directors do not recommend the payment of a dividend (2013: Nil).

BUSINESS REVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31st March 2014, the Group recorded a consolidated turnover of HK$144,817,000 (2013: HK$555,777,000) and a loss attributable to owners of the Company of HK$23,896,000 (2013: HK$48,735,000). The loss excluding the gains/losses attributable to investment properties, financial assets at fair value through profit and loss and available-for-sale financial assets, was HK$21,326,000 (2013: HK$85,801,000).

The contribution of revenues from the Group's film exhibition and film rights licensing and sublicensing segment was decreased from HK$460 million to HK$73 million, which was mainly attributable to lower number of new titles released during the year, in particular "Silent War", "Wu Dang" and "Love in the Buff" contributed significant theatrical revenues to the Group last year. Due to the decrease in provision for impairment of certain titles made in the same period last year, the segment loss was dropped from HK$43 million last year to HK$1 million this year.

The Group will continue to strengthen its film library through acquisition, own production and co-production, as at 31st March 2014, a number of new titles were in progress and they are expected to be released in the forthcoming year.

Besides self producing and investing, the Group also makes use of its wide distribution network developed for years for its business of film distribution agency. Equipped by the Group's film library and through the Group's experience and network in program sourcing, the Group is confident that it will continue to provide high quality and customized programs to its audiences.

The contribution of revenues from the Group's television segment dropped slightly from HK$56 million to HK$51 million, which was mainly attributable to the termination of a movie channel with mioTV in Singapore since August 2013.

As at 31st March 2014, the Group provided channels through various operators, including Red Channel through the platform of HBO in certain South East Asian territories, HD movie channel through Chunghwa Telecom MOD platform in Taiwan and Taiwan Broadband Communications, a movie channel and a variety channel through the UTV multimedia platform of China Mobile Hong Kong and a movie channel through the TVB pay TV platform in Australia.

In November 2009, the Group entered into an agreement with HBO Asia to provide contents of films and drama through the launch of "RED Channel" in different Asian territories by stages. This cooperation has enhanced the Group's exposure to the global entertainment market and also helped the Group to establish its channel brandname. The channel has already been launched in 7 territories including Malaysia, Indonesia, Thailand, Philippines, Vietnam, Myanmar and Cambodia. The Group will keep on seeking the opportunity to launch in other Asian territories including Singapore very soon.

The other channels have also provided steadily increasing contributions to the Group. The Group has also concluded to provide a movie channel through the platform of a pay TV operator in Hong Kong commencing July 2014.

Looking forward, the Group will continue to explore opportunities to develop channels with other operators and other media platforms.

Following the development of its economic environment, China's film exhibition industry has grown rapidly in the recent years. According to statistics published by the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China, the China theatrical box office income has grown continuously from approximately RMB4.3 billion in 2008 to approximately RMB17 billion in 2012, and further increased by approximately 30% to approximately RMB22 billion in 2013. With reference to certain statistics as reported and projected by certain market media articles, the China theatrical box office income is expected by the industry to reach the level of approximately RMB30 billion in 2014. Taking into account of the increasing demand but limited theatre supply in China, the Group has started to penetrate into the China theatrical market and established its first theatre in Tianjin in 2011. During the year, the Group's another theatre in Jiading, Shanghai has also commenced operations. The Group's theatres are all digital with most of them are 3-D equipped.

The theatre in Tianjin has 7 screens consisting approximately 1,200 seats, during the year, this theatre contributed approximately revenues of approximately HK$9 million (2013: HK$8 million) to the Group. The one located in Jiading, Shanghai has 10 screens with approximately 1,600 seats and contributed revenues of approximately HK$4 million (2013: Nil) during the year.

Although the Group's theatre operations are still in its investment stage, the Group is confident of its prospects taking into account the continuous growth of China film exhibition industry.

The revenue attributable to sale and distribution of films and programs in audio and visual product format dropped to the level of approximately HK$5 million (2013: HK$17 million). Following the shrinkage of video industry and rapid development of technology, the distribution of films and programs is no longer limited to video discs but in digital formats available over the Internet. The Group is diversifying its distribution network to online downloading and streaming in order to adapt to the expected future consumer behavior.

Following the acquisition of a business which holds certain media operation licenses in China last year, the Group has launched its video website "www.116.tv". The Group's video apps "116", which includes contents of films, drama and entertainment news has also been launched since June 2014.

Taking into account that the operation is still in investment stage, the segment attributed loss of approximately HK$9 million (2013: HK$25 million) for the year. Despite this, the Group considers the new media investment will ignite a revolution to the video distribution industry and fit the expected market demand.

The Group's artiste management business contributed approximately HK$2 million (2013: HK$14 million) revenues to the Group, due to less number of artiste performance during the year. The Group will continue to seek other potential artistes and performers in order to build up a talent pool from which all future productions will be benefited.

The Group's channel management operations are conducted through its associated company, namely Hongkongmovie.com Company Limited and its subsidiaries ("HKM"). Other than providing services to the Group, HKM also provides playout, post-production, HD-film restoration and channel management services to a number of other media operators. During the year, HKM started to provide its services under the developed M-OTT platform which enables audiences to watch content through TV, PC, smart phone and tablet. HKM is also co-operating with other institutions to develop more advanced technology in multimedia area, e.g. content distribution network, which is ready to contribute favorable returns to HKM and the Group.

During the year, following the changes in the investment market conditions, the Group's financial assets at fair value through profit and loss turned around to record a fair value gain of approximately HK$4.3 million (2013: loss of HK$7.6 million). The investment properties portfolio of the Group contributed a deficit on revaluation of approximately HK$7.5 million (2013: gain of HK$42 million) during the year. Such gains/losses have no significant effect on the Group's cash flow.

As set out in the Company's announcement dated 28th April 2014, subsequent to the year end date, the Company has entered into a non-binding memorandum of understanding ("MOU") to establish an investment fund principally investing in films, drama and other equity investments. The establishment is still in progress and the Group considers that the co-operation will further enhance its exposure in the industry.

In respect of the litigation as set out in the Company's announcement dated 15 April 2011, after taking advice from the legal advisors which have considered the information so far available, the plaintiff's claim is rather flimsy and the chance resulting in unfavourable outcome is not high.

Looking forward, the Group will explore other opportunities to generate greatest returns for its shareholders and reward their long-term support.

Liquidity and financial resources

At 31st March 2014, the Group has available banking facilities of approximately HK$80 million, of which approximately HK$32 million were utilised. Certain of the Group's deposits, financial assets and properties with aggregate net book values of HK$123 million were pledged to banks to secure banking facilities. The Group's gearing ratio of 5.9% as at 31st March 2014 was based on the total of bank loans and overdrafts of HK$32,182,000 (of which HK$20,235,000, HK$1,486,000, HK$4,304,000 and HK$6,157,000 are repayable within one year, in the second year, in the third to fifth year and after the fifth year respectively) and the shareholders' funds of approximately HK$549,771,000. The Group's borrowings and bank balances are primarily denominated in Hong Kong dollar and Renminbi and has no significant exposure to foreign currency fluctuations.

At 31st March 2014, the Company had contingent liabilities in respect of guarantees given to banks for facilities of its subsidiaries amounting to approximately HK$51 million and commitments in respect of film production, film and program licensing agreements amounting to approximately HK$59 million. The commitments will be financed by the Group's internal resources and banking facilities.

Employees

At 31st March 2014, the Group employed 150 staff. Remuneration is reviewed periodically based on individual staff's performance. In addition to the basic salaries, staff benefits include discretionary bonus, medical insurance scheme and contributory provident fund. The Group also has a share option scheme whereby qualified employees may be granted options to acquire shares of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Code of Corporate Governance Practices under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with the exception of the deviation in respect of the appointment term of non-executive directors.

Under code provision A4.1, non-executive directors should be appointed for specific term. There is no specific term of appointment of the non-executive directors of the Company, however, they are subject to rotation in accordance with the Bye-laws of the Company. Accordingly the Company considers that sufficient measures have been taken to dealt with the requirement in respect of the appointment terms of non-executive directors as required under the code provision.

REVIEW BY AUDIT COMMITTEE

The annual results have been reviewed by the audit committee of the Company.

On behalf of the Board
Li Kuo Hsing
Chairman

Hong Kong, 27th June 2014

As at the date of this announcement, the executive directors of the Company are Mr Li Kuo Hsing, Mr Tong Hing Chi and Mr Li Tang Yuk, the non-executive directors are Mr Hugo Shong and Mr. Alan Cole-Ford and the independent non-executive directors are Dr Lee G. Lam, Ms Wang Huarong, Mr Cheung Ming Man and Mr. Guo Yan Jun.