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CINDERELLA MEDIA GROUP LIMITED

先傳媒集團有限公司*

(Continued in Bermuda with limited liability)

(Stock code: 550)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



GREAT ROC

CAPITAL SECURITIES LIMITED

鴻鵬資本證券有限公司

Great Roc Capital Securities Limited

On 2 December 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best-effort basis, a maximum of 35,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its Connected Persons at a price of HK\$2.05 per Placing Share.

The Placing Price of HK\$2.05 per Placing Share represents (i) a discount of approximately 19.29% to the closing price of HK\$2.54 per Share as quoted on the Stock Exchange on 2 December 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 18.20% to the average closing price of HK\$2.506 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 1 December 2016.

The maximum number of 35,000,000 Placing Shares represents (i) 10.45% of the existing issued share capital of the Company of 335,034,000 Shares as at the date of this announcement; and (ii) approximately 9.46% of the issued share capital of the Company as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$71,750,000.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be approximately HK\$71,750,000 and approximately HK\$71,000,000 respectively. The Company intends to apply the maximum net proceeds from the Placing for (i) repayment of shareholder's loan; (ii) development of Company's existing business; and (iii) general working capital of the Company and potential investments to be identified.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Placing Shares to be placed under the Placing Agreement will be issued pursuant to the General Mandate to allot, issue and deal with Shares granted to the Directors at the AGM.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

2 December 2016 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent.

Placing Agent

The Placing Agent, has conditionally agreed to place a maximum of 35,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 1.0% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission of 1.0%, which was arrived at after arm's length negotiations under normal commercial terms, is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its Connected Persons.

Placees

The Placing Agent will place, on a best effort basis, the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its Connected Persons.

Number of Placing Shares

The maximum number of 35,000,000 Placing Shares represents (i) 10.45% of the existing issued share capital of the Company of 335,034,000 Shares as at the date of this announcement; and (ii) approximately 9.46% of the issued share capital of the Company as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$71,750,000.

Placing Price

The Placing Price of HK\$2.05 per Placing Share represents (i) a discount of approximately 19.29% to the closing price of HK\$2.54 per Share as quoted on the Stock Exchange on 2 December 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 18.20% to the average closing price of HK\$2.506 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 1 December 2016.

The maximum net placing price under the Placing is approximately HK\$2 per Placing Share.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent on the date of the Placing Agreement. The Directors consider that the terms of the Placing (including the placing commission) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

General Mandate

The Placing is not subject to Shareholders' approval as the Placing Shares will be allotted and issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders at the AGM subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 66,756,800 Shares.

Up to the date of this announcement, no Share has been issued under the General Mandate.

Conditions of the Placing

The Placing, which is not subject to the approval of the Shareholders, is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Company obtaining all necessary written consents and approvals (if any) from the relevant authorities in respect of the Placing.

The conditions must be fulfilled on or before 16 December 2016 (or such other date as may be agreed between the Company and the Placing Agent), failing which the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination and force majeure events

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.
- (ii) The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the reasonable opinion of the Placing Agent, the success of the Placing would or might be adversely affected by any force majeure events (as defined below):
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent,

materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (e) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

Completion of the Placing

Completion of the Placing shall take place not later than the tenth Business Day immediately after the date on which the written confirmation issued by the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares (or such later time and/or date as the Company and the Placing Agent may agree in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors have considered various ways of raising funds and consider that the Placing represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider that the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

The maximum gross proceeds and maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) are expected to be approximately HK\$71,750,000 and approximately HK\$71,000,000 respectively.

The principal activity of the Company is provision of advertising services. The Company intends to apply the net proceeds from the Placing for (i) repayment of shareholder's loan; (ii) development of Company's existing business; and (iii) general working capital of the Company and potential investments to be identified.

FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

The Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing, is as follows:

| Shareholders | As at the date of this announcement | | Immediately after completion of the Placing | |
|--|--|------------------|--|------------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % |
| Upsky Global Limited (<i>note 1</i>) | 95,037,657 | 28.37 | 95,037,657 | 25.68 |
| Polaris Investment Management Limited (<i>note 2</i>) | 50,248,828 | 15.00 | 50,248,828 | 13.58 |
| Directors | | | | |
| Liu Gary Wei (<i>note 2</i>) | 50,248,828 | 15.00 | 50,248,828 | 13.58 |
| Tsang Hing Bun | 500,000 | 0.15 | 500,000 | 0.14 |
| Yiu Yu Cheung | 750,000 | 0.22 | 750,000 | 0.20 |
| Public Shareholders: | | | | |
| – Placees | – | – | 35,000,000 | 9.46 |
| – Others | 188,497,515 | 56.26 | 188,497,515 | 50.94 |
| Total | 335,034,000 | 100.00 | 370,034,000 | 100.00 |

Note 1: Upsky Global Limited is wholly owned by Mr. Chen Jiarong.

Note 2: Polaris Investment Management Limited is wholly owned by Mr. Liu Gary Wei, an executive Director.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of approval for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

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| “AGM” | the annual general meeting of the Company held on 2 June 2016 |
| “Board” | the board of Directors |
| “Business Day” | any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong |
| “Company” | Cinderella Media Group Limited, a company continued in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |
| “Connected Person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “General Mandate” | the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Placee(s)” | any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement |
| “Placing” | the placing of a maximum of 35,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement |

| | |
|---------------------|---|
| “Placing Agent” | Great Roc Capital Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO |
| “Placing Agreement” | the conditional placing agreement dated 2 December 2016 entered into between the Company and the Placing Agent in relation to the Placing |
| “Placing Price” | HK\$2.05 per Placing Share |
| “Placing Shares” | a maximum of 35,000,000 new Shares to be placed pursuant to the Placing Agreement |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.2 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

By order of the Board
CINDERELLA MEDIA GROUP LIMITED
Tsang Hing Bun
Executive Director

Hong Kong, 2 December 2016

As at the date of this announcement, the Board comprises Mr. Liu Gary Wei and Mr. Tsang Hing Bun as executive Directors; Mr. Yiu Yu Cheung and Mr. Leung Siu Kee as non-executive Directors; and Mr. Chan Siu Lun, Mr. William Keith Jacobsen and Mr. Chan Chiu Hung, Alex as independent non-executive Directors.

** for identification purpose only*