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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)**

### **ANNOUNCEMENT ON BUSINESS UPDATE**

#### **MEMORANDUM OF UNDERSTANDING WITH GUANGZHOU SHENGYU JINXIAN ADVERTISING LIMITED**

This is a voluntary announcement made by Cinderella Media Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to update the shareholders of the Company (the “**Shareholders**”) and potential investors in respect of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 5 April 2017 (after trading hours), Star Prestige Investments Limited (“**Star Prestige**”), the Company’s wholly-owned subsidiary, entered into a non-legal binding memorandum of understanding (the “**MOU**”) with Guangzhou Shengyu Jinxian Adverting Limited\* (廣州聲煜金線廣告有限公司) (“**Guangzhou Shengyu**”) in relation to, among other things, obtaining the exclusive advertisement rights in the wireless networking system (“**WI-FI**”) at train stations operated by Guangzhou Railway Group (“**Guangzhou Railway**”) (the “**WI-FI Exclusive Rights**”).

#### **THE MOU**

**Date:** 5 April 2017 (after trading hours)

**Parties:** (a) Star Prestige, a wholly-owned subsidiary of the Company; and

(b) Guangzhou Shengyu

To the knowledge, information and belief of the Board after having made all reasonable enquiries, Guangzhou Shengyu and its ultimate beneficial owners are independent third parties who are not connected persons of the Company (as defined under the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange).

**Subject matter:**

Star Prestige expressed its intention to procure the WI-FI Exclusive Rights, subject to a condition that Guangzhou Shengyu has procured the management right of WI-FI advertising at train stations operated by Guangzhou Railway (the “**Management Right**”) on or before 30 April 2017.

**Terms:**

The formal agreement will be three years commencing from the date of the signatory agreement. Any renewal of the agreement will be subject to the terms to be mutually agreed by both parties.

Guangzhou Shengyu shall not be allowed to enter into any memorandum or agreement with any other party in relation to the WI-FI Exclusive Rights after entering into the formal agreement with Star Prestige.

**Consideration:**

The amount of consideration for the WI-FI Exclusive Rights for three years is RMB80,000,000.

**Deposit and refund policy:**

The deposit of RMB15,000,000 shall be paid by Star Prestige to Guangzhou Shengyu within three days after signing the MOU.

If Guangzhou Shengyu fails to procure the Management Right or enter into the formal agreement with Star Prestige on or before 30 April 2017, Guangzhou Shengyu shall refund the deposit in full within 15 days after 30 April 2017.

## REASONS FOR OBTAINING THE WI-FI EXCLUSIVE RIGHTS

The Group is principally engaged in provision of advertising services and property investment. On 27 April 2016, the Group and Guangshen Shengyu entered into two business contracts in relation to the exclusive rights for placement of advertisement in the interior and exterior body of the Guangzhou-Shenzhen inter-city express trains operated by Guangzhou Railway. The Group intends to increase the investment and expand the railway advertising business including the procurement of the WI-FI Exclusive Rights. The Board believes that the procurement of the WI-FI Exclusive Rights will (i) strengthen and improve the market share of the Group in the train advertising business in the PRC; (ii) enhance the Group's overall competitiveness in train media's advertising industry to achieve better financial performances; and (iii) be beneficial to the Group and in the interests of the Company and the Shareholders as a whole.

## INFORMATION ON GUANGZHOU SHENGYU

Guangzhou Shengyu is principally engaged in the provision of services for the clients from different industries including real estate, Internet, communication, finance, automobile mainly in South East China.

**Please note that the formal agreement for the Wi-Fi Exclusive Rights may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.**

By order of the Board

**CINDERELLA MEDIA GROUP LIMITED**

**Chen Jiarong**

*Chairman*

Hong Kong, 5 April 2017

*As at the date of this announcement, the Board comprises Mr. Liu Gary Wei (Chief Executive Officer) and Mr. Tsang Hing Bun as executive Directors; Mr. Chen Jiarong (Chairman), 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*