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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)**

### **BUSINESS UPDATE**

#### **WI-FI ADVERTISING MEDIA LEASE AGREEMENT**

This announcement is made by Cinderella Media Group Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) on a voluntary basis and is intended to enable our shareholders and potential investors to understand the latest business development of the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 1 August 2017 (after trading hours), Star Prestige Investments Limited (“**Star Prestige**”), a wholly-owned subsidiary of the Company, has entered into an Wi-Fi advertising media lease agreement (the “**Lease Agreement**”) with Guangzhou Shengyu Golden Line Advertising Company Limited\* (“**Guangzhou Shengyu**”).

Pursuant to the Lease Agreement, for a term of 41 months from 30 June 2017 to 30 November 2020 (the first five months from 30 June 2017 to 30 November 2017 is rent-free period), Guangzhou Shengyu shall lease the Wi-Fi network system, its installation, facilities, Wi-Fi network coverage (collectively referred to as “**Wi-Fi Venue**”) and its digital advertising media (“**Wi-Fi Media**”) to Star Prestige. Guangzhou Shengyu shall also grant an exclusive right to Star Prestige for the operation of the Wi-Fi Media.

*\*for identification purpose only*

## **THE LEASE AGREEMENT**

Date: 1 August 2017

Parties: Licensee: Star Prestige

Licensor: Guangzhou Shengyu

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Shengyu is an independent third party of and not connected with the Company and its connected persons.

### **Term**

30 June 2017 to 30 November 2020

### **Exclusive rights**

Pursuant to the Lease Agreement, Guangzhou Shengyu shall lease its Wi-Fi Venue and Wi-Fi Media to Star Prestige. Guangzhou Shengyu shall also grant an exclusive right to Star Prestige for the operation of the Wi-Fi Media.

### **License rights fee payable**

The total license rights fee payable under the Lease Agreement is RMB80,000,000 (equivalent to approximately HKD91,400,000), which shall be satisfied by the licensee in cash in the following manner:

- (i) RMB40,000,000 (equivalent to approximately HKD45,700,000) shall be paid by the licensee to the licensor upon signing of the Lease Agreement;
- (ii) RMB20,000,000 (equivalent to approximately HKD22,900,000) shall be paid by the licensee to the licensor by 30 November 2017; and
- (iii) The balance of RMB20,000,000 (equivalent to approximately HKD22,900,000) shall be paid by the licensee to the licensor by 30 May 2018.

## **REASONS FOR AND BENEFITS OF THE LEASE AGREEMENT**

The Group is principally engaged in the provision of advertising services and property investment. Guangzhou Shengyu has been granted the exclusive right to operate the Wi-Fi Venue and Wi-Fi Media in the train stations operated by Guangzhou Railway Group (“**Guangzhou Railway**”)

Reference is made to the annual report of the Company for the year ended 31 December 2016. The Group had begun the expansion of its advertising services business through the completion of acquisition of 60% shareholding of Hong Kong Made (Media) Limited (“**Hong Kong Made**”) on 1 April 2016. Hong Kong Made has been acting as the exclusive advertising agent of Guangzhou Shengyu and was granted the exclusive rights for placement of advertisement in the interior and on the body of the trains of Guangzhou-Shenzhen Railway High Speed operated by Guangzhou Railway. Following the completion of acquiring Hong Kong Made, Hong Kong Made recorded revenue of approximately HKD39,300,000 and profit approximately HKD17,700,000 from 1 April 2016 to 31 December 2016.

With the successful expansion of the Group’s train media business in 2016, the Directors consider that the entering into of the Lease Agreement may allow the Group to become an integrated train media service provider and further expand its train media business in the PRC.

After taking into account the above factors, the Directors consider that the terms and conditions of the Lease Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

By order of the Board

**CINDERELLA MEDIA GROUP LIMITED**

**Chen Jiarong**

*Chairman*

Hong Kong, 1 August 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.*