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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)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN A SUBSIDIARY**

On 10 July 2014 (after trading hours), CinMedia Inc., being an indirectly wholly owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which CinMedia Inc. unconditionally agreed to sell and the Purchaser unconditionally agreed to purchase the entire issued share capital of SAR for the Consideration of HK\$3,200,000. Before Completion, SAR was an indirect wholly owned subsidiary of the Company and was principally engaged in investment holding. It is holding the entire registered capital of Arabesque, which is engaged in the business of advertising sales in the PRC. Upon Completion, the Group has not held any equity interest in the Disposed Group. The Disposed Group has ceased to be subsidiaries of the Company. Given one or more than one of the applicable percentage ratios exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL AGREEMENT

Date

10 July 2014 (after trading hours)

Parties

- (1) Vendor : CinMedia Inc., an indirect wholly owned subsidiary of the Company
(2) Purchaser : Spring Champion Holdings Limited

The Purchaser is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Parties.

Assets disposed of

The entire issued share capital of SAR.

Consideration

The Consideration was HK\$3,200,000 and was settled by payment in cash upon signing of the Disposal Agreement.

The Consideration was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into consideration various factors, including (i) the reasons for the Disposal as discussed below; and (ii) the unaudited consolidated net asset value of SAR.

Completion

Completion was unconditional and took place immediately after the signing of the Disposal Agreement.

Upon Completion, the Group has not held any equity interest in the Disposed Group. The Disposed Group has ceased to be subsidiaries of the Company.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

Arabesque was one of the Group's advertising sales arms in the PRC. Apart from Arabesque, the Group maintains several companies in the PRC for advertising sales. The turnover of Arabesque has been declining and its activities has been taken up by another company of the Group in the PRC. Arabesque is currently not a party to any contract for the inflight magazines business of the Group. The management of the Group is of the view that the Disposal can reduce the operating cost and the Disposal does not have any adverse impact on the operations of the Group as the activities of Arabesque has been taken up by another company of the Group in the PRC. The proceeds of the Consideration will be utilized as working capital of the Group.

In view of the above, the Directors considered that the terms and conditions of the Disposal Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is principally engaged in advertising media business, specifically recruitment magazine advertising and inflight magazine advertising, and investment trading.

INFORMATION OF THE DISPOSED GROUP

Before Completion, SAR was an indirect wholly owned subsidiary of the Company. SAR was principally engaged in investment holding and is holding the entire registered capital of Arabesque, which is engaged in advertising sales business in the PRC.

The following table summarises the unaudited consolidated financial results of SAR prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2013:

| | For the year ended | |
|-------------------|--------------------|------------------|
| | 31 December 2013 | 31 December 2012 |
| | (unaudited) | (unaudited) |
| | HK\$'000 | HK\$'000 |
| Profit before tax | 25,270 | 52,461 |
| Profit after tax | 15,984 | 41,465 |

Based on the unaudited consolidated management accounts of SAR made up to 30 June 2014 prepared in accordance with the Hong Kong Financial Reporting Standards, the unaudited consolidated net asset value of SAR as at 30 June 2014 was approximately HK\$3,168,000.

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, subject to further audit procedures to be performed by the auditor of the Company, the Group is expected to record an unaudited gain of HK\$32,000 on Disposal as (i) the unaudited consolidated net asset value of SAR as at 30 June 2014 was approximately HK\$3,168,000; and (ii) the Consideration was at HK\$3,200,000.

Upon Completion, SAR and Arabesque were no longer subsidiaries of the Group. Accordingly, the assets, liabilities and the financial results of the Disposed Group will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

Given one or more than one of the applicable percentage ratios exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings set out below:

| | |
|-----------------------|---|
| "Arabesque" | Arabesque Advertising Limited, a private company incorporated in the PRC with limited liability |
| "associate(s)" | has the meaning ascribed to it under Chapter 14A of the Listing Rules |
| "Board" | the board of Directors of the Company |
| "CinMedia Inc." | a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company |
| "Company" | Cinderella Media Group Limited, a company continued in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 550) |
| "Completion" | completion of the sale and purchase of the entire issued share capital of SAR |
| "connected person(s)" | has the meaning ascribed to it under Chapter 14A of the Listing Rules |
| "Consideration" | the amount of consideration for the sale and purchase of the entire issued share capital of SAR |

| | |
|-----------------------------|---|
| "Director(s)" | the director(s) of the Company |
| "Disposal" | The disposal of the entire issued share capital of SAR under the Disposal Agreement |
| "Disposal Agreement" | The unconditional disposal agreement dated 10 July 2014 and entered into between CinMedia Inc. and the Purchaser in relation to the sale and purchase of the entire issued share capital of SAR |
| "Disposed Group" | SAR and Arabesque |
| "Group" | The Company and its subsidiaries |
| "HK\$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Independent Third Parties" | a party (or parties) and, if applicable, the ultimate beneficial owner(s) of the party who is/are not connected person(s) of the Company and independent of the connected persons of the Company and their associates |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "PRC" | People's Republic of China |
| "Purchaser" | Spring Champion Holdings Limited, a company incorporated in British Virgin Islands |
| "SAR" | SAR Media Limited, a company incorporated in Hong Kong with limited liability |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Shareholder(s)" | holder(s) of share(s) of the Company |
| "%" | per cent. |

By Order of the Board
Cinderella Media Group Limited
Lam Mei Lan
Executive Director

Hong Kong, 10 July 2014

As at the date of this announcement, the Board comprises Mr. Lau Chuk Kin and Ms. Lam Mei Lan as executive directors, Mr. Wan Siu Kau, Mr. Lee Ching Ming, Adrian and Mr. Peter Stavros Patapios Christofis as non-executive directors and Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David as independent non-executive directors.

** For identification purpose only*