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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)

UPDATE ON PROFIT WARNING ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). Reference is made to the profit warning announcement of the Company dated 30 April 2014 (the “Profit Warning Announcement”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

As mentioned in the Profit Warning Announcement, the Group’s profit for the six months ending 30 June 2014 is expected to record a significant decrease due to (i) the de-consolidation of 1010 Group; and (ii) the decrease in advertising income in the Inflight Magazine division. The adverse factors as mentioned in the Profit Warning Announcement have persisted. The Group still expects a significant decrease in profit of the continued operations due to the decrease in advertising income in the Inflight Magazine division. The unaudited turnover of the Inflight Magazine division for the six months ending 30 June 2014 is expected to decrease by approximately 15% as compared to the same period last year. The profit margin of the Inflight Magazine division is also expected to decrease significantly because fixed direct and indirect costs have not decreased correspondingly with the income.

Apart from the information stated above, the Board wishes to update the shareholders of the Company (the “Shareholders”) and potential investors that the Group expects to record a one-off special gain upon recognizing the difference between the carrying amount of the net assets of 1010 Group and the fair value of the distribution in specie of shares in 1010 Group to the Shareholders. The one-off special gain is a non-cash item and will offset to a significant extent the negative impact on the Group’s profit caused by the factors stated in the Profit Warning Announcement. Therefore the results for the six months ending 30 June 2014 are not expected to be as bad as previously envisaged.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the information currently available to the Group and is not based on any figures or information which has been audited or reviewed by the auditors. The Group's half yearly results announcement for the six months ending 30 June 2014 is expected to be released in August 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Lam Mei Lan
Executive Director

Hong Kong, 25 June 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*